THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Shanghai-Nanking Railway and Mr. Tappenden

The Kemmerer Commission and Currency Reform!

Ancient Guilds and Social Change in Peiping

By J. S. Burgess

The Ups and Downs of the China Merchants S. N. Co.

By B. Y. Lee

Kwangsi Government Improves Agriculture

By Hin Wong

Mr. Yada the Scapegoat !

評論報 密勒氏

SATURDAY, FEBRUARY 23, 1929

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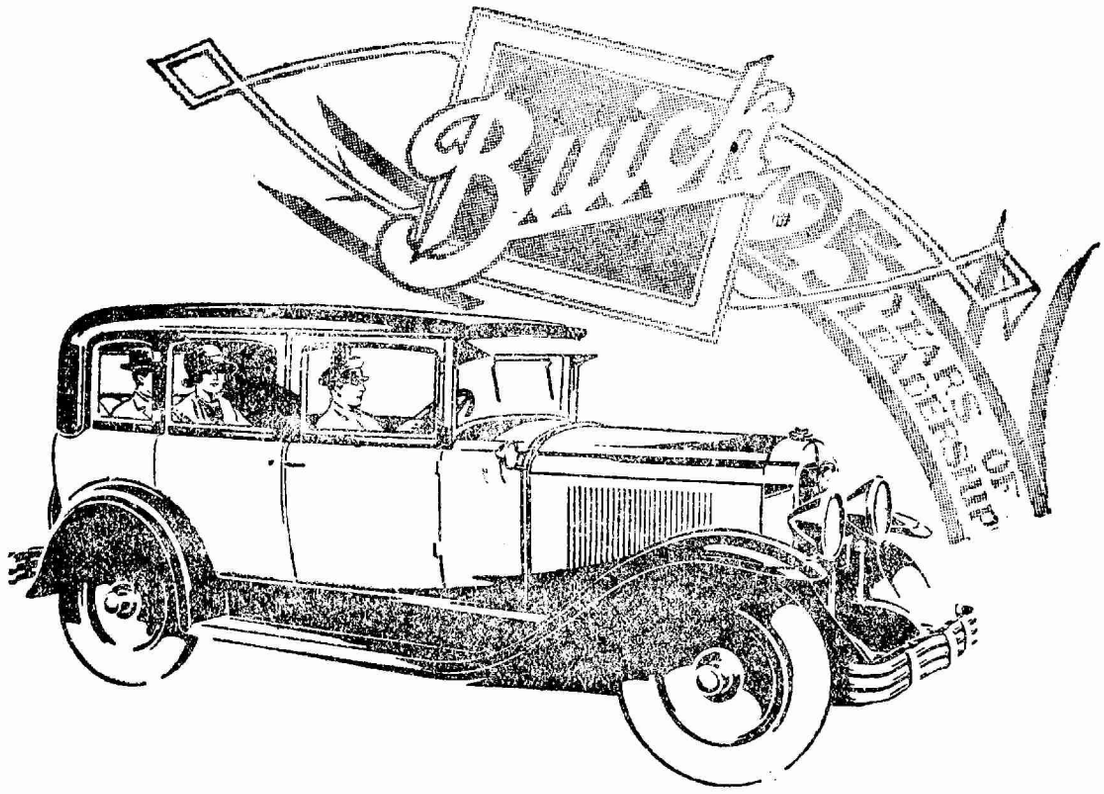

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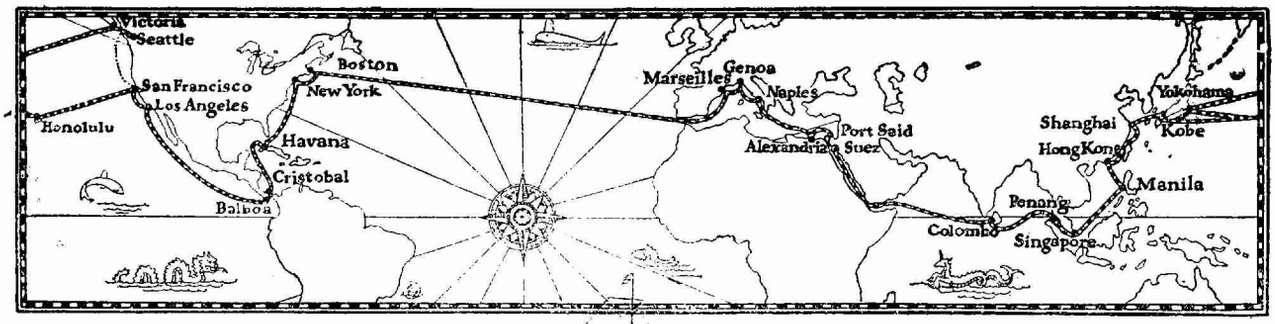

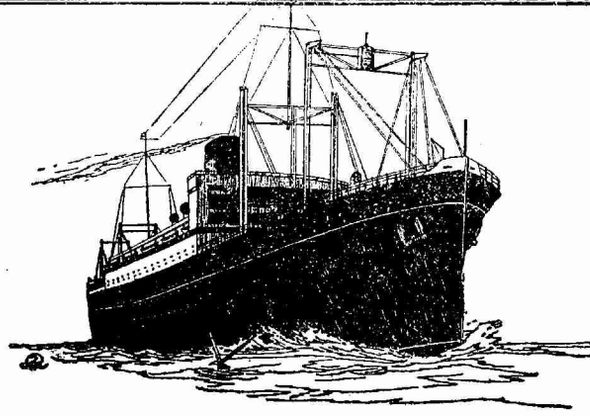

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WEEKLY SAILINGS TO AMERICA
ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
FOLLOWING WEEK TO VICTORIA B.C. AND SEATTLE VIA THE SHORT ROUTE
FORTNIGHTLY ROUND THE WORLD VIA HONGKONG, MANILA, STRAITS, COLOMBO, EGYPT, ITALY, FRANCE, TRANSATLANTIC TO BOSTON AND NEW YORK

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American Mail Line

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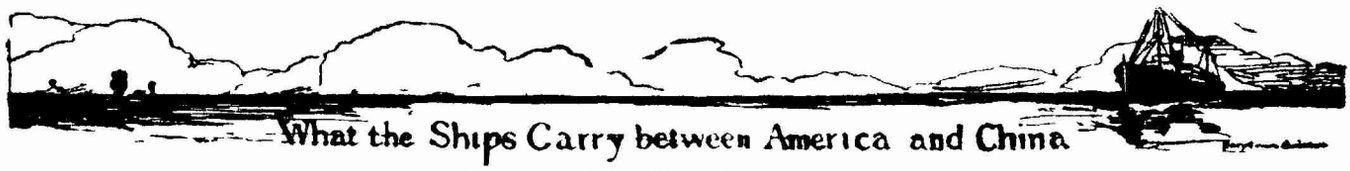

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls —1 Picul or 133 1/3 pounds, Bls —Bales, Pcs —Pieces, Mills—thousands, Hk. Tls —Haikwan Tls , Feb. Customs Rate Tls 1.42 equal Gold $1

PRESIDENT GRANT, Nov 30. To U S A

Tea, Green:		
Gunpowder, Ningpo etc.	Pls	149
Hyson, Kiukiang	,,	27
Young Hyson, Hangchow, etc	,,	167
Cotton, Waste	,,	155
Cotton Rags	,,	21
Egg Albumen, Dried	,,	42
Egg Yolk, Dried	,,	30
Feathers, Duck	,,	242
Hides, Buffalo	,,	137
Wool, Sheep's	,,	150
Walnuts Kernels	,,	469
Skins, Dog, Tanned	Pcs	1 000

MAYA MARU, Dec 17. From U S A

Leather, Calf	Pls.	11
Leather Sole	,,	1
Sugar, of Milk	,,	75

PRESIDENT JACKSON, Dec 19 From U. S. A.

Lead, Pig	Pls.	1,261
Apples, Fresh	,,	695
Cheese	,,	10
Flour, Wheat	,,	1,612
Herrings, Salt	,,	46
Ink, Printing	,,	581
Milk, Condensed	,,	900
Onions, Fresh	,,	15
Paper, Common Printing	,,	59
Potatoes, Fresh	,,	249
Shrimps, Dried	,,	83
Beds	Pcs.	809
Motor-cars	,,	42
Motor-trucks	,,	14
Motor-cars, Parts of	Hk Tls.	607
Motor-trucks, Parts of	,,	5,826

RHINE MARU, Dec. 27. To U S A.

Silk, Raw, Steam Filature: White, Shanghai Bls. 215	Pls.	213.42
Silk, Raw, Reeled from Doupions. Shanghai. Bls.	85 Pls	83.25
Silk, Raw, Re-reeled: White, Soochow Bls	50 Pls.	50.02
Silk, Raw, Filature: Wild, Chefoo Dairen, etc. Bls	99 ,,	102 40
Silk Waste, Refuse Dairen, otc ... Bls.	25 ,,	82.40
Shanghai ..... Bls	15 ,,	47 51
Silk Pongees, Honan	,,	49 37
Silk Pongees, Shantung	,,	8 87
Tea, Green: Gunpowder, Ningpo	,,	394
Antimony, Crude	,,	420
Antimony, Regulus	,,	84
Brassware	,,	60
Cotton, Rags	,,	1,462
Feathers, Goose	,,	42
Nutgalls	,,	840
Flourspar	,,	1,680
Peas, White	,,	244
Tallow, Vegetable	,,	414
Wool, Sheep's	,,	201

CHENONCEAUX, Dec. 28. To U. S. A.

Silk, Raw, Filature: Wild, Dairen .. Bls	20 Pls.	20,30
Silk, Raw, Reeled from Doupions: Shanghai. .... Bls.	85 Pls.	84.34½
Tea, Green: Gunpowder, Ningpo	,,	273
Hides, Buffalo	,,	73

PRESIDENT PIERCE, Dec. 28. To U. S A.

Silk, Raw, Steam Filature: White, Shanghai Bls. 421	Pls.	428.77
Silk, Raw, Reeled from Doupions: Shanghai ..... Bls	60 ,,	59.81
Silk, Raw, Re-reeled White, Soochow Bls. 64	,,	65.44
Silk, Raw, Filature Wild, Shanghai Bls.	15 ,,	15.00
Wild Dairen Bls.	10 ,,	10.10
Silk, Waste, Refuse. Shanghai..... Bls.	139 ,,	253.40
Silk Piece Goods	,,	22.26
Silk Pongees Shantung	,,	2.19
Tea, Green: Gunpowder, Hangchow	,,	42.38
Gunpowder, Ningpo	,,	239 08
Tea, Black: Other kinds, Kiukiang	,,	14
Feathers Duck	,,	91
Hair, Human	,,	31
Intestines Pig, Salted	,,	8
Peas, White	,,	1,680
Walnuts Kernels	,,	1,433
Wool, Sheep's	,,	559
Skins, Goat, Untanned	,,	160
Skins, Wolf, Untanned	Pcs.	650
Skins, Lamb, Untanned	,,	16,075
Skins Wolf, Raw	,,	197
Skins, Dog	,,	16,980
Hats, Buntal Fibre	,,	6,496
Hats, Hemp	,,	1,500

AFRICA MARU, Dec. 28. To U. S A

Tea, Green: Gunpowder, Ningpo, etc.	Pls.	845
Young Hyson, Ningpo and Kiukiang, etc.	,,	246
Hyson, Kiukiang	,,	6,084
Oil, Wood	,,	6,084

LEVERNBANK, Dec. 29. To U. S. A.

Tea, Black, other kinds, Hankow	Pls.	204
Antimony Regulus	,,	588
Cotton, Raw, Hankow Bls.	129 ,,	476
Nutgalls	,,	536
Oil, Wood	,,	14,407

BORDEAUX MARU. Jan. 9. From U. S A

Iron, Scrap, Old	Pls	560
Iron Hoops	,,	276
Steel Scrap	,,	1,801
Steel, Scrap, Old	,,	54
Steel, Wire Shorts	,,	1,005
Steel, Galvanized Scrap, Old	,,	1,497
Wire Shorts	,,	319
Paper, Boxboard	,,	2,249
Shrimps, Dried	,,	99
Soda Ash	,,	2,268
Tobacco, Leaf	,,	3,804
Oil, Lubricating, Mineral	Galls.	47,128

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 Feb. 20.
Market Steady. Business done, 3,456,300 Shares.

STOCK	Wed. Jan. 2	Monday Feb. 18	Thurs. Feb 19
Allied Chemical & Dye (Com.)	255	280	281¼
American Can (Common)	112⅛	110¾	112¾
American Smelting	292	113	113
American Telephone & Tel. (Com.)	195	207¾	209½
American Tobacco "B"	178½	173¾	174¼
Armour & Co. "A"	17⅞	15½	15¼
Armour & Co. (Ill.) 7% Pfd.	83½	82⅝	82¼
Anaconda Copper	118½	133¾	131½
Andes Copper		60½	59¾
Baltimor & Ohio		122	123¼
Bank of Montreal	395	367	365
Bethlehem Steel (Common)	88	91⅝	90⅞
Brooklyn-Manhattan Transit	72½	79	77⅛
Calumet & Hecla	48⅛	56⅞	56
Campe Corp.	100	100	100
Canadian Pacific Railway	245¾	244½	245
Cavanaugh Dobbs	None	None	35
Chrysler	133¼	101½	100¼
Consolidated Gas of New York	108¼	106⅛	106½
Coty Incorporated	76	67½	66⅞
Davison Chemical	62	59½	60⅛
Dry Docks		22	22
Du Pont de Nemours E. I. (Com.)	504	177	179½
Eastman Kodak	182¾	183½	184
General Electric Co.	245¼	229½	230
General Motors	192⅞	79¾	79⅝
General Railway Signal (Com.)	102½	99¼	100⅝
Gold Dust	146	68⅜	68¼
Goodrich Rubber		89⅞	91
Granby Consolidated	91	89⅞	89½
Haygart	48	55	56⅜
International Cement (Common)	95⅛	91¼	91¾
International Match, Pfd.	95⅝	87¼	88
International Nickel (Common)	45⅞	60½	60⅜
International Printers Ink	59½	58	57¼
International Products Corp. (Com)	13	None	12
Kelvinator	16¾	16	16½
Kennecott Copper	158	158	155⅞
Keystone Aircraft		41⅜	40½
Liggett & Myers, Class "B"	92⅞	90⅛	90⅞
Lorillard Company (Common)	25⅜	25	24⅞
Mack Trucks	111¼	106¾	105½
Madison Square Garden	21½	20¼	21¾
Missouri Pacific (Com.)	67⅞	71⅞	71½
National Dairy Products	128	124½	124¾
Nevada Consolidated Coppor		49⅞	49
New York Central Railroad		189½	188½
Norfolk & Western		194	None
Pacific Gas & Electric Co.	54	59¼	59¾
Packard Motor Car Co. (Com)	151¼	130⅞	129¾
Paramount Lasky		61⅞	63
Pennsylvania Railroad	78⅛	77¼	77⅛
Phillips Petroleum	46½	37¼	38
Radio Corporation	394¾	343	351
Reynolds Tobacco, "B"	157	57⅛	57¼
Sbell Union Oil		26¼	26¼
Southern Pacific Railway		130	129¼
Standard Gas & Electric (Com)	87	92	90¾
Standard Oil of New Jersey	54¾	49	48⅜
Standard Oil of New York	44⅞	39⅛	38¾
Texas Corporation (Common)	67⅞	58	57¾
Texas Gulf Sulphur	81	73¾	73¾
Timken Roller Bearing	148¾	74†	75½†
Trans-America Corp.		125	126¼
Transcontinental Air Transport		25⅜	25¾
Union Carbide	206⅞	208⅝	207
Union Pacific Railroad (Com)	218½	221¾	219¼
U. S. Inter. Security Pfd.	100	None	None
United States Leather	59¾	51	51⅝
United States Realty & Imp Co.	84	105	105
United States Rubber (Pfd)		80	81
United States Steel	162¾	172	172½
Vanadium Oil		114	116¼
Vanadium Corp.	103	104⅛	106⅛
Westinghouse Elec (Com)	143	149¼	150¾
Willys Overland Co.	34	30⅛	30
Wright Aeronautical	270	261	265

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

47-616

Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C M.) Every Monday 10 P.M.	Chengchow Every Tues 6 55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C M) Every Fri 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M Daily	Chengchow 6:43 A M. Third Day
6 Local	Chengchow 7:15 P M. Daily	Hankow (T.C M) 6:48 A.M Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A M. Daily	Chengchow 5:45 P.M,
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T M.) 2:10 P M

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

SMOKE CAPSTAN CIGARETTES

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密勒氏評論報

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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HAS MR. YADA BECOME THE SCAPEGOAT?

REPORTS which have appeared in both the Japanese and Chinese newspapers recently indicate that Mr. Shichitaro Yada, Japanese Consul-General at Shanghai, has been made the scapegoat of the Sino-Japanese negotiations. For those who do not know the meaning of this Biblical term, a *scapegoat* is one who is made to bear blame for the faults of others. It is derived from the ancient custom of symbolically laying the sins of the people upon the back of a goat which is then led away into the wilderness. This apparently is what has happened to Mr. Yada, providing the reports are true that he has been permanently recalled from Shanghai and is to be offered a minor diplomatic post in Europe. There is of course nothing authoritative regarding these reports, but the Chinese newspapers state that General-Baron Tanaka, Japanese Premier is trying to place the blame for his failure to enforce a "strong" policy in respect to China upon Mr. Yada, alleging that Yada went too far in his preliminary conversations with Dr. C. T. Wang last October and November when the Sino-Japanese negotiations were first started. It is known that when Mr. Yada returned to Tokyo last fall that he was reprimanded by Tanaka and was forced to apologize for certain interviews which he gave the Osaka newspapers in which he was quoted as criticising the Tanaka "strong" policy as being responsible for most of the trouble which Japan has experienced in her relations with China in the past two years Mr. Yada's original "conversations" with the National Government, which began on October 19 last, were of course initiated upon direct instructions of General-Baron Tanaka who had to do something to prevent an outburst over his Chinese policy at the time of the Japanese coronation ceremonies. Mr. Yada was successful in getting the negotiations opened, but was not successful in putting over what Tanaka wanted. The fact that he failed to do what Tanaka wanted was all to Mr. Yada's credit because he knows what is going on in China and he has not hesitated to point out to Tanaka and the Japanese military clique their mistakes. Mr. Yada is more than a consul-general: he is a statesman and if he had his way he would show Tokyo how to reach an honorable settlemant with China that would pave the way for lasting peace and cooperation between the two countries, but this in not what the Tanaka military clique wants, the reason being that Tanaka and his advisers are still living in the dark days of the Twenty-One Demands of 1915 and the Nishihara loans of 1918-1919 and think that there is still a possibility of annexing some Chinese provinces and enforcing Japanese political control over the rest

of the country. Mr. Yada, who was born in 1875, received his education at the Tokyo Imperial University, and since graduation has been in the Japanese diplomatic and consular service almost continuously, having served at Rome, London, San Francisco and Mukden prior to his appointment as Consul-General here.

ABOLISHING SOMETHING WHICH NEVER EXISTED

SECRETARY of State Kellogg in a statement before the Foreign Relations Committee of the House of Representatives at Washington on Monday of this week said that all of the countries which had placed embargoes on the shipment of arms to China, "were now considering lifting them." One wonders if Mr. Kellogg could have been serious when he made that statement, because of all of the international farces which have been staged in recent times the China arms embargo has been the most farcical. The question of placing an embargo on the shipment of arms to China was first raised by the American Minister, Dr. Paul Reinsch in Peiping about the year 1918. According to a report on the subject which was made at the Washington Conference, the British Government agreed to the American proposal, but the Italian Minister while agreeing in principle, made a reservation regarding "certain unfilled contracts for arms which certain Italian subjects had negotiated with the Chinese." What the Italian Minister had in mind was a shipment of arms and ammunition at that time stored in the Italian Concession in Tientsin, the value of which was estimated at $5,000,000. After receiving bids from both sides in the Chinese civil war the Italians finally sold their stock of arms to the Chihli faction. In view of the refusal of the Italians to agree to the embargo proposed by Dr. Reinsch the Japanese and one or two other ministers also made reservations so that the whole thing went by the boards. The subject was again brought up at the Washington Conference in 1921-1922 when Secretary Hughes, apparently with the approval of the British Delegation proposed a resolution placing a definite embargo on the shipment of arms to China. The Italians again made a reservation regarding "unfilled contracts" which brought forth a caustic remark from Mr. Balfour, head of the British Delegation. But the Italian reservation stuck and was immediately followed by similar reservations again by the Japanese, Belgians, Dutch, and so on, the general result of which was the throwing out of the resolution entirely. Immediately following the Washington Conference President Harding secured the passage of a resolution through Congress placing a heavy penalty on anyone exporting American arms to China, but neglecting to make it a crime for American citizens to deal in arms outside of the United States. The British Government also passed a similar law, but even though the American and British regulations were effective in preventing direct arms exports from America and England to China, the regulations had little effect because neither Germany nor Russia were bound and these two nations were completely free to sell all the arms they could get the Chinese to pay for. Then in addition to the arms situation there was the matter of airplanes for military use, both the French and Italians doing their best in this field, while the Japanese made hay in Manchuria by selling arms, munitions, field artillery and airplanes in the bargain. About the only effect which the American and British arms embargoes have had has been to keep Americans and Britons out of a profitable business which has been participated in by the nationals of about every country on the face of the globe. In view of this situation we can't help but feel that Mr. Kellogg must have been joking when he spoke of lifting the China arms embargo!

ECONOMY COMMISSION MAKES DRASTIC RECOMMENDATIONS

WHATEVER just criticisms may have been levelled against the Shanghai Economy Commission either on the score of its composition—for it was certainly a mistake not to include Chinese on it—or on the score of the great delay in publishing its report, it must be said that the Commission made a thorough job of it and has hit right and left in its recommendations, having little mercy upon many old-established Shanghai customs.

The Committee was appointed on July 11, 1927, and held its first meeting two days later. The original members were:—Mr. B. D. F. Beith, Mr. R. Calder-Marshall, Mr. S. Fessenden, Mr. K. Fukushima, Mr. N. S. Marshall, Brig-Gen. E. B. Macnaghten, and Mr. N. L. Sparke. Subsequently, Mr. Marshall, Gen. Macnaghten, Mr. Beith, and Mr. Sparke resigned, and at various dates the following were co-opted:—Messrs. V. Meyer, H. Tiefenbacher, Ronald G. McDonald, C. L. Seitz, F. R. Davey, and G. L. Wilson.

Many drastic recommendations are made in the report published February 8. The Commission stresses the point (which was apparent all along) that the various departments of the Council have been operating independently of each other, frequently working in different directions, or almost as frequently duplicating the work of some other dpeartment, thus piling up needless expenses upon an already highly expensive organization. The office of the Commissioner General had been established with the object of coordinating the work of the different departments, but in actual practice he had devoted himself mostly to political matters and little was done towards effecting the desired cooperation. The Commission lays down the very excellent precept that employees in Municipal service should be promoted, not according to the length of time they have served, but according to their value to the community. A definite recommendation is made that the pay of Chinese generally should be increased so that capable men will be attracted to the service. The present system of discriminating against local men, Chinese as well as foreigners of non-British nationality, is condemned. It may not be generally known that the Shanghai Municipal Council maintains an expensive office in London for the sole purpose of selecting employees. The present system of "allowances" is also strongly criticized. The Commisson finds that the pay of higher-placed officials is much too high, and it can hardly be seen how the Commission could find otherwise, seeing that the pay of many Shanghai municipal officers is such as to be the envy of governors of many Commonwealths in the United States. The Commission finds that too much money is spent on providing passage money back and forth from some point abroad—mostly from some British possession, it may be mentioned. The Commission finds that the Finance Department maintains too expensive an organization and is overstaffed; also that not sufficient care is exercised in the selection of the Secretarial staff. An incidental recommendation is made that Municipal motor cars generally be marked in prominent lettering, as the cars of the Electricity Department are, so that Municipal employees will not be able to engage in "joy" rides in Municipal autos surreptitiously, as they frequently have done in the past. Of all the departments the

Electricity Department comes off with the least criticism It certainly is to be hoped that some action will be taken along the lines of the Commission's recommendations. At any rate one thing is sure. Unless the Municipality of Shanghai very much mends its ways it will find itself compelled to give up its foreign control even sooner that it at present seems destined to

The report of the Shanghai Economy Commission, a summary of which appeared in *The Review* on Feb. 16, but which was published in full in a 40-page special issue of the Shanghai Municipal *Gazette* on February 9 constitutes an eloquent testimonial to the accuracy of reports regarding municipal inefficiency which have appeared in *The Review* during the past two or three years. The report must be read in full to be understood and appreciated, but briefly it constitutes a wholesale indictment of a situation which has been permitted to grow up here under the British flag, but outside the authority of the British Government, and which has largely been responsible for most of the troubles which the British Government has experienced in its relations with China in recent years. We use the term "British flag" advisedly for while Shanghai has been camouflaged as an "international" settlement, it has always been British from the standpoint of 99 percent of its foreign municipal employes; its police and volunteer corps have always been staffed by former British army officers from India and in addition the Settlement has always maintained an office in London for the recruiting of municipal employees. All of the local public utilities such as the street-railway, water-works, telephone company, bus company, etc., are British with British equipment and personnel. Shortly following the May 30 incidents in Shanghai in 1925 when the Shanghai Municipal Council demanded of its then Chief-of-Police a report on the orders which he had issued to the police staff in connection with the handling of riots, he is reported to have defied the Council on the grounds that his orders were secret and were issued by the British military authorities in India He was dismissed from office shortly afterwards and it has only been since that time that the exclusive British character of the Settlement has been broken down. Shanghai is to-day suffering from this old situation because Shanghai officialdom has always been more interested in the so called political "protection" of the Settlement against Chinese encroachment than in the matter of building a modern city to keep pace with the tremendous commercial development which has taken place here in the past quarter century. The breakdown of the local municipal administration has been particularly noticeable in respect to the failure of the Police Department to cope with the local crime situation In this connection it is interesting to note the following reference to this matter in the Economy Commission's report (Page 66 Col. 3),

> "The fact remains . . . that the figures supplied show an almost alarming increase in serious crime within the Settlement and the Committee feel that this striking rise in crime calls for an immediate and prompt investigation into the organization of the C. I. D (Criminal Investigation Department) on the lines indicated above. If a reduction in crime can be effected by a more efficient organization of the C I D. it may be possible to effec some reduction in the strength and the cost of the uniform police."

The foregoing quotation from the Commission's report is of special interest to *The Review* for it is almost a paraphrase of an editorial reference to this subject which appeared in these columns several weeks ago, to the effect that the so-called C. I. D. instead of devoting its attention to the local crime situation was devoting most of its time and attention to so-called political "intelligence" work which was of no interest to the Settlement at all and which really was serving as a branch of the British political intelligence service, despite the fact that it was financed by funds raised by taxation in this international community to which the Chinese contribute at least 60 per cent of the total.

The Economy Commission's report also pays belated attention to the question of Chinese employees and brings out the fact that while practically every large foreign business house in the Far East is largely staffed with Chinese technical assistants, the Shanghai Municipal Government is over staffed or "packed" with highly-paid foreigners. In this connection the report states,

> 'It is recommended that immediate steps be taken to promote or engage Chinese employees for work in connection with the statistical services, accounting, keeping of records, etc , etc , while the employment of Chinese in some of the technical positions might be aimed at where practicable through the engagement of qualified Chinese who in due course might be able to fill such posts satisfactorily
>
> "The Committee have had the advice in this matter of a number of foreigners controlling large organisations who have been successful in creating staffs largely composed of Chinese assistants and the Comm ttee consider that the adoption of this recommendation is essential for securing any serious reduction in the present heavy cost of the performance of clerical work."

Space is too limited for a further detailed review of the Commission's report, but notice should be taken of the frequent references to the "uncertainty" regarding the future status of the Settlement, which appear in the report. This of course is the crux of the whole matter and the real reason for the Commission's report—the uncertainty regarding the future status of the Settlement. Considered as a whole the Commission's report is a belated attempt to lock the stable door after the horse has been stolen, because little that can be done now can affect the future status of the Settlement one way or the other, in which connection the following letter signed by "Inquisitive" which appeared in the *North China Daily News* recently, is very much to the point,

> "Opinions as to the wisdom or folly of selling the Municipal electricity undertaking will no doubt vary according to views held of the political future of Shanghai.
>
> "Can any reader supply a more recent declaration of British policy than that submitted by Sir Austen Chamberlain to the League of Nations on February 8, 1927, containing the following sentence:—
>
> " 'H M.'s Government are prepared to discuss and enter into arrangements, according to the particular circumstances of each port concerned, for the modification of the municipal administrations of British concessions so as to bring them into line with the administrations of the special Chinese administrations set up in former concessions in Hankow....or for the transfer of police control of the concession areas to the Chinese authorities'
>
> "A covering note explained of this and other sentences that 'when assurances have been given by the Nationalist Government that they will not countenance any alteration except by negotiation of the status of the British Concessions and international settlements, H M.'s Govenmnent will be prepared to concede at once and on the lines indicated in the enclosure hereto a great part of what is desired of them by the Chinese Nationalist party,'
>
> "Sir Austen, in commenting to the League on the above declaration to the Chinese Government, wrote, 'These measures imply an immediate and radical modification of the old Treaty position, so far as H M 's Government are concerned, and are an earnest of further modicfiations as soon as conditions permit.'
>
> "On the hypothesis that language has meaning, it looks as if we may expect either a Chinese Director in place of Mr Fessenden or a Chinese Chief of Police in place of Capt. Barrett, should British policy prevail."

WHY NOT A CONFERENCE ON THE SHANGHAI QUESTION?

THE MOST LOGICAL way to settle the Shanghai question would be for the Powers chiefly concerned in the International Settlement to hold a regularly constituted conference with China and thus arrive at an equitable understanding on the question. This would enable foreign interests with their so-called vested rights to present their case and at the same time would enable China to present her case. Out of it would ultimately emerge an understanding that would be satisfactory to both sides in that it would provide for stability where only instability and uncertainty now exists. Obviously the present situation is unsatisfactory because the Chinese are not satisfied with their minority representation on the Council and their constant agitation for greater representation, if not granted, is certain to lead to constantly increased bitterness on both sides. What the authorities of the Settlement do not seem to realize is that China is quite likely to succeed in obtaining an abolition of extraterritoriality within the next year or so, in which case the Settlement as a purely foreign-administered political entity will no longer be of value. The passing of extraterritoriality will make it impossible to maintain the Volunteer Corps or foreign police department because the personnel of both services will become subject to Chinese law and the Chinese courts. In view of this situation the logical thing to do would be for Powers chiefly concerned here to hold a conference with China and reach a definite understanding with China on the future status of the Settlement. The only other way out is to continue the present method of gradually increasing the Chinese representation on the Council and in the city departments, but as stated, this method is unsatisfactory because neither side is ever satisfied and this situation is largely responsible for the existing state of uncertainty, which is detrimental to all parties concerned as is evidenced in the general slump and slackners in the local real estate and debeuture market.

CHINA WORRIES ABOUT HER BORDER PROVINCES

THE *Ta Chung* news agency on Feb. 6 circulated a report to the local foreign press stating that the Soviet Government recently has constructed a new railway which will connect the railway system of continental Russia with the borders of Chinese Turkestan or Sinkiang and that this action on the part of Russia "will have an important bearing on the future of Chinese national defence in that quarter." Continuing, the report stated that the Chinese authorities "are paying special attention to Soviet activities on the Sino-Russian border." The situation on the Sino-Russian border of Sinkiang is not greatly different from conditions on the other borders, Tibet, Manchuria and Yunnan, where China comes into contact with Britain, Japan and France. In each case these foreign nations are pushing their own interests, the purpose being to improve their economic and political position. Railroads constructed by foreign interests reaching to the Chinese borders and into Chinese territory such as the Russian railway touching Sinkiang, the Japanese Government-owned South Manchuria line and the French-owned railway running from Haloi, Indo-China to Yunnanfu, naturally drain the products of those territories *away* from China and while China usually receives fair payment for her raw products, the chief benefits accrue to the foreign exploiters. Unless China takes definite steps to develop her own means of transportation to link up these outlying territories with her own industrial centers, all the talk and propaganda in the world will not prevent foreign economic penetration and if China continues disorganized and politically weak the economic penetration is always likely to be followed by an extension of foreign political influence. The Chinese interests in the Three Eastern Provinces of Fengtien, Kirin and Heilungkiang have been working in recent years to counteract the Japanese penetration by the construction of Chinese-owned and controlled railways that will have the effect of neutralizing the Japanese influence. China ought to do the same thing in respect to Sinkiang, a potentially wealthy area which is so far inland that it requires longer to travel there from the China coast than is required to make a trip from Shanghai to New York and back. What China should do is to extend the Lung-Hai and Peking-Suiyuan railroads into this territory; then the element of Russian penetration would be neutralized. The same thing applies to Yunnan province in the South. At the present time the only practical way to get into Yunnan province is over the French-owned railway which reaches the coast at Hanoi, a French port. It is therefore natural that French influence should be predominant in Yunnan. The way to meet this situation is for China to build her own railroad that would connect Yunnan with the Yangtsze River or with the South China coast—which naturally would have the effect of neutralizing the French influence. In this competition with foreign interests, China is more favorably situated than any foreign nation because China has an unlimited supply of labor for construction work. All that needs to be done is for China to set her political house in order so that confidence can be restored. When that has been accomplished China need not worry about the capital or technical skill, for the whole world will be ready to help!

THE CASE OF THE SHANGHAI NANKING RAILWAY!

ANYONE who has traveled between Shanghai and Nanking on the Shanghai-Nanking Railway during the past winter and has shivered in the frigid atmosphere that always prevails in the passenger cars, day or night, naturally is interested in the subject of the quality and quantity of coal used by the railway management. Passengers who are compelled to use this road in making trips between Shanghai and the National Capital are always reminded of the Mark Twain joke about the Mississippi River steamboat that didn't have sufficient power to propel the boat and blow the whistle at the same time; hence when it was necessary to blow the whistle, the boat was forced to drift down stream until sufficient steam could be raised to again propel the boat. A somewhat similar situation apparently prevails on the Shanghai-Nanking line in respect to the heating of the cars, or at least the long-suffering passengers believe that if the heat was ever turned on the engines would not have sufficient power left to propel the train. The foregoing references to coal, heat and power and the Shanghai-Nanking Railway will, we hope, serve as an introduction to the "Strange Case of Mr. Tappenden," which we propose to discuss from this point on. But before doing so, it should be explained that the estabishment of the National Capital at Nanking has stimulated a tremendous amount of travel on this 200-mile road. Government officials are constantly traveling

back and forth between Shangnai and Nanking; foreign tourists and persons having business with the Government are constantly using the road, the result being a tremendously increased traffic with consequent increase in revenues and concurrent improvement in the standing of the bonds.

In the United States and most other so-called civilized countries, when a railway enjoys increased trade with consequent profits, the public is always given some of the benefit in improved service. This is a generally accepted rule on the part of enlightened transportation management everywhere—that is, everywhere, apparently with the exception of Shanghai-Nanking Railway where the service to the public seems to have retrograded in almost exact ratio to the improved business that the road has enjoyed in recent months. The reason for this situation is difficult for the public to fathom, and parenthetically, it must be stated that the public has not received much enlightenment as a result of considerable publicity which has appeared recently in the *North China Daily News*, the local official British organ. But to get on with the story, the express trains which carry passengers between Shanghai and Nanking and Nanking and Shanghai have been running further and further behind the published schedules, somewhat on the order of the Arkansas train that got so far behind schedule that the management had to drop a day out of the schedule in order to catch up. The general Chinese and foreign public which travels on the road have been putting up with this situation, with the usual amount of grumbling, but sometime ago General Chiang Kai-shek, President of the State Council, made a hurried trip to Shanghai and the train was so far behind schedule that he missed an important engagement. Complications immediately resulted all along the line from the Minister of Railways down to Mr. Jun-ke Choy, director of the Administrative Department who has direct charge of the Shanghai-Nanking line. Mr. Choy is one of those modern-day Chinese officials who received his training in America where railways are operated on schedule. He started an investigation and in order to be sure of his ground made the trip from Nanking as a passenger on the engine in order to get at the bottom of the trouble. The train was late as usual, so the next day he fired Mr. F. A. Tappenden, the chief storekeeper.

Had Mr. Choy discharged the entire Chinese staff of the railway the incident probably would have received a few lines in the "Day to Day" column in the *North-China Daily News*, but when Mr. Choy fired Mr. Tappenden, a minor foreign (British) official, he got a two-column "leader" rebuke in the senior British organ and several columns in the news section for good measure. He almost got as much publicity over the firing of Mr. Tappenden as the National Government received for its failure to appoint Mr. A. H F. Edwardes as Inspector-General of Customs, both being looked upon by the British press in China as convincing proof of the depraved anti-foreignism of Chinese officialdom. As stated, it is difficult for the public to understand the ins and outs of the "Strange Case of Mr. Tappenden," because it has become hopelessly involved in the matter of proper mixtures of various grades of coal, heat units, and so on, but briefly Mr. Choy maintains that it was Mr. Tappenden's job to see that the coal was properly mixed in order to provide the maximum amount of heat for the engine and boilers, and since Mr. Tappenden did not carry out the instructions, he was discharged. The *North-China Daily News*, which had just begun to recover from the Edwardes' case, again suffered from editorial appoplexy over the Tappenden Case and in an editorial on Saturday, February 16 declared "that the case is far from being ended; that the charges against Mr. Tappenden are utterly false; and finally, *a direct violation of the loan agreement*. In conclustion there was a veiled threat to go and tell the bankers about it so that China could not borrow any more money for building new railways. Further than the announcement of the discharge of Mr. Tappenden, the Chinese railway officials have had nothing to say in public, but owing to the attacks in the *North-China Daily News*, Mr. Choy on Monday, Feb. 18 issued a public statement together with all the documents in the case, to the press. Not a word about this has appeared in any of the foreign newspapers with the exception of a brief report in the (American) *Evening News*.

The report is too lengthy and technical for reproduction in full in these columns, but Mr. Choy outlined in full the duties which the foreign storekeeper is supposed to have in regard to the purchase and supervison of the coal supply. He also stated that it had been found that prices paid for coal in the past and extending over many years had been too high; that the railway had been in the grip of a local combine of coal dealers who had been supplying poor coal at first-rate prices; that it was found that the system of weighing coal was inefficient and wasteful to such an extent that the railway was being "squeezed" unmercifully; that there was inefficiency in the method of storing, and so on to the extent of some 25 or 30 pages of closely typed reports. In connection with the particular item of weighing coal, the report alleges that instead of using a large ground-scale, that the coal was being weighed on small scales "provided by the contracters" and that the weighing operation was not supervised by the tally-clerks who are employed for the purpose. Then there was an itemized chart showing the failure to properly mix the various grades of coal and finally a blue-print map showing the inefficient method of storing the coal. In the introduction, the Chief of the Administrative Department of the Ministry of Railways states that the dismissal of Mr. Tappenden "was merely one of our many minor routine administrative incidents which do not warrant official statements to the press, but in view of the *North China Daily News*' attack, etc. . . ." The situation apparently rests at this point, for according to the *N. C. D. N.* Mr. Tappenden "refuses to be fired and is merely absenting himself from office for the time being pending a settlement of his case."

Not being familiar with the technical details of railway management, the writer is not in a position to pass judgment on the rights or wrongs of this question, but that there is something radically wrong with the Shanghai-Nanking Railway and its management, is obvious. This subject is likewise too involved for detailed discussion here but briefly the whole contract or agreement under which the Shanghai-Nanking Railway was constructed and is operated, should be re-drafted and brought into accord with present-day conditions prevailing in China and the world generally. The original agreement for the construction of the Shanghai-Nanking line was signed by the Chinese Government and the British and Chinese Corporation (Jardine, Matheson and Company) on May 13, 1898. It was one of those "perfect" agreements which British financial interests have always been accustomed to make with the so-called "backward" peoples. It places almost complete control in the hands of the foreign financial interests; loads the road down with highly-salaried foreign officials; and then

clinches the bargain by inserting a clause that prevents the railway from ever purchasing any new equipment except through the medium of the foreign agent who receives a handsome commission on every deal. This is what might be termed a "perfect" agreement from the standpoint of the lender of the money in that it makes it reasonably certain that the railway will never get out of debt and in addition to a good rate of interest, the lender also continues to add to his profits by taking a commission on all purchases and still further binds the railway in the matter of purchases in that they must be bought from a certain firm of the nationality of the lender of the money. Last summer when Gen. Chiang Kai-shek attempted to transfer some of the engines from the Shanghai-Nanking railway across the Yangtsze River to use in his northern campaign, the British Navy stationed a gunboat in the river at Nanking and threatened to blow Chang's army to smithereens in case he didn't change his mind about the moving of the engines. Later on the British authorities relaxed and permitted Chang to transfer some of the engines, but not until the subject had been raised in the House of Commons. Also it was rumored about Shanghai that the Chinese had also agreed to place some order for new engines to replace the ones transferred to the Tientsin-Pukow line—the new engines likewise to be ordered through Jardine, Matheson and Company. Whether the British people at home realize it or not, this Shanghai-Nanking railway contract has cost British interests many millions of dollars in the loss of good-will on the part of Chinese railway officials throughout the country and probably is responsible for the fact that practically all of the purchases of new equipment on practically all of the other railway lines have gone to American interests.

The Kemmerer Commission and China's Attempt to Reorganize Her Financial and Currency System

THE ARRIVAL of the Kemmerer Commission, the purpose of which is to assist the National Government in the reorganization of the currency and financial system of the Republic, is a matter of unusual importance, perhaps the most important phase of the general reconstruction program because upon this matter largely depends the carrying out of one of the chief principles of the Kuomintang, the "welfare of the Chinese people." The work of this commisson is therefore of vital interest to the Chinese people generally who have for centuries been bound down by a mediaeval system of currency; secondly, it is of interest to the commercial classes because it is only by a complete reorganization of the currency and fiscal system that business in China can be placed on a sound basis; and lastly it is of interest to the Chinese Government because it is only in this way that China can ever hope to win her coveted position of "equality" from the standpoint of world finance and economics.

The Kemmerer Commission arrives in China under auspicious circumstances, since the National Government has now consolidated its position to such an extent that prospects for government stability seem favorable for a reasonable period of time. In addition to this element, which is necessary for the successful carrying out of the Commission's work, the general international political situation also appears favorable in that most of the leading nations of the world seem inclined, for the present at least, to give China a chance to work out her own salvation. Dr. Edwin Walter Kemmerer, the president of the Commission is a native of Scranton, Pennsylvania, where he was born in 1875. He received his education at Wesleyan and Cornell, following which he taught for a time at Purdue University. He was financial adviser to the Philippine Commission and drafted most of the legislation reorganizing the Philippine currency on a gold basis. As chief of the division of currency of the Philippine Islands, he had charge of the enforcement of the new regulations and at the same time drafted the law establishing the postal savings system in the Islands. In 1906, Dr. Kemmerer was sent by the Philippine Government to the Straits Settlements and Egypt for a study of currency conditions in those countries and in this connection compiled a report on the advisability of establishing a government agricultural bank in the Philippines. He then returned to Cornell University where he taught economics and finance until 1912 when he went to Princeton where he now holds the chair of research professor of international finance. In addition to this work at Princeton, Dr. Kemmerer has served as financial adviser to various foreign governments, including Mexico, Colombia, Chile, Poland and elsewhere. In 1924 he served as currency and banking expert to the Dawes Commission for the reorganization of the Reichsbank and the stabilization of German currency. In the same year he went to South Africa in company with Dr. Vissering, president of the Netherlands Bank and largely upon their recommendation the Union of South Africa was enabled to return to the gold standard. Two years ago he was president of the American Commission of technical advisers to the Polish Government and assisted in the drafting of legislation and recommendations providing for a comprehensive reform of the currency, banking, accounting, and taxation system in that country. He has also assisted in similar work in Ecuador and Bolivia in South America. China is the eleventh country he has visited in connection with his work and he is now internationally known as the "Money Doctor."

When the National Government arranged, through negotiations conducted by Mr. Sun Fo and Dr. C. C. Wu in the summer of last year for Dr. Kemmerer to come to China, they gave him a free hand from the standpoint of selection of personnel for his commission. The result was the selection of a staff of experts who are generally considered to be among the leaders in their respective lines in the United States, among them being Dr. Arthur Nichols Young, who resigned from the position of economic adviser to the Department of State, in order to accompany the Commission to China. Dr. Young is a native of Los Angeles and a graduate and former member of the faculty of Princeton. He has also had extensive foreign experience especially in South America and was with the Dawes Commission. Others in the party are Dr. Oliver C. Lockhart, expert in taxation, who has had extensive banking experience and also has been connected with various universities as teacher of economics and finance. Mr. W. B. Poland, an expert in railway finance who formerly was vice-president of the Philippine Railway Company and has been connected with various

railways in the United States is also a member of the Commission, but will not arrive in China for several weeks. He has investigated railway problems in numerous countries including Russia, Siberia, China, Japan, India, Egypt, Australia, etc. Dr. Benjamin Bruce Wallace, a specialist in tariff and tariff policies, who is also a member of the Commission, was one of first Rhodes scholars at Oxford from the United States. He has taught at Michigan, Wisconsin, Princeton and Northwestern and recently has been chief of the division of preferential tariffs and commercial treaties with the United Tariff Commission. Dr. Frederick A. Cleveland, an authority on budgets and monetary problems, is a native of Illinois and a graduate of Depauw University As a member of the firm of Haskins and Sells he has assisted in the auditing of accounts of many of the large corporations and the installation of modern accounting systems in various philanthropic institutions. He has also had extensive service with the United States Government, at the New York Customs House and was chairman of the Commission on Economy and Efficiency during the Taft Administration. Mr. F.B. Lynch, another member of the party was with the International Banking Corporation in China from 1913 and in 1922 he was manager of the Peiping branch. He resigned from the National City Bank of New York in order to accompany the Kemmerer Commission. Space is too limited for a complete review of the activities of all of the members of the Commission, which also includes Dr. John Park Young, assistant in currency and banking; Dr. William Watson, specialist in accounting and fiscal control; Mr. Richard W. Bonneville, also specialist in accounting and fiscal control; and several secretaries, including Messrs. Edward F. Feely, Frank W. Fetter, John McGregor Gibb, Jr, Harry B. Price, Whitmore Dawes, and Donald L. Kemmerer, a son of the chairman of the Commission.

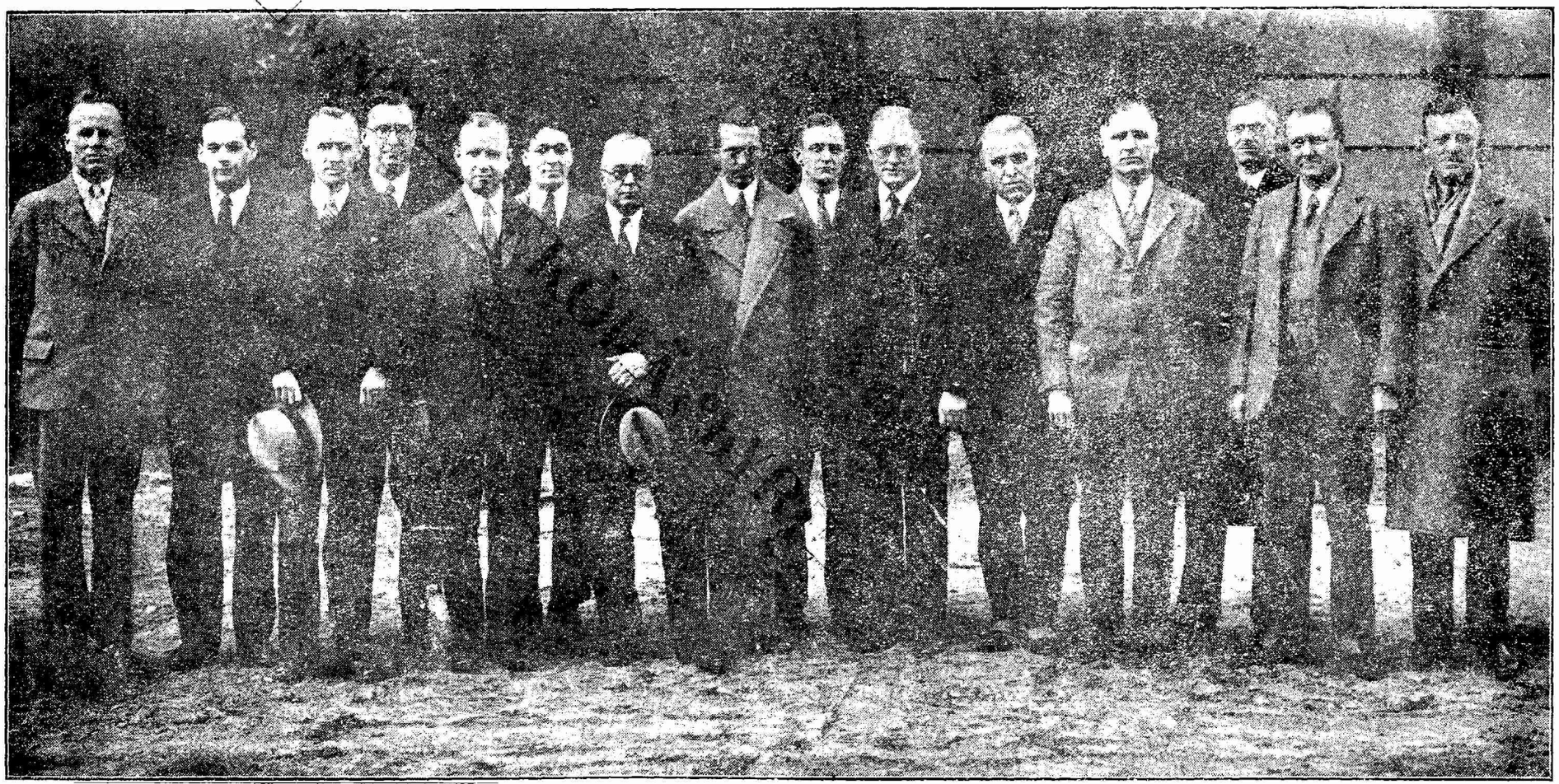
Dr. Edwin Walter Kemmerer, President of the Commission

Aside from stating that he has come to China with his eyes and ears open and his mouth shut, Dr. Kemmerer has made no statement regarding his future work further than to state that he has been engaged by the Ministry of Finance of the National Government as a technical expert in finance and currency reform and expects to spend from six months to a year in China for this purpose. Mr. T. V. Soong, Minister of Finance, under whose department Dr. Kemmerer and his staff will serve, has stated that the Kemmerer Commission was invited to come to China for the purpose of consultation on financial and currency questions and that it is the purpose of the Government to have the Commission spend from six months to a year in special study and investigation of certain currency and financial problems now facing the Chinese Government. The Commission will have its headquarters at the Shanghai office of the Ministry of Finance. 1C Kiukiang Road, but will also have an office in connection with the Ministry of Finance in Nanking. The members of the Commission plan to spend considerable time in travel and investigation in various parts of the country during the period of their stay in China.

A report appearing in the *New York Times* on Jan. 30 referring to the work of the Commission stated that the purpose was "to assist China in the work of financial reform as one of the first major steps in the economic rehabilitation of the Republic." Continuing, the report stated,

> "This study of the finances of China has been undertaken by Dr. Kemmerer at the invitation of the Chinese Ministry of Finance. Headquarters will be maintained in Shanghai, with he members visiting from time to time the principal cities of the country for study and discussion. The task will begin to take form with a comprehensive study of data which the Chinese Government has assembled. Information relating to the different departments of government will be allotted to sub-committees, which will

The Kemmerer Financial and Currency Commission



—*Photo by Carson Studio*

A group picture of the members of the Kemmerer Financial and Currency Commission taken shortly after the arrival of the Commission in Shanghai on February 9. Those in the picture, reading from left to right, are, Frank W. Fetter, Under Secretary; Wetmore Dawes, Assistant; John Parke Young, Assistant Expert in Currency and Banking; J. McGregor Gibb, Assistant Secretary; Arthur N. Young, Expert in Public Credit; Harry B. Price, Assistant; E. W. Kemmerer, President of the Commission; F. B. Lynch, Assistant Expert in Banking; George M. Thompson, Assistant; Frederick A. Cleveland, Expert in Budget and Budgetary Problems; Edward F. Feely, General Secretary; Oliver C. Lockhart, Expert in Taxation; Benjamin B. Wallace, Expert in Customs, Tariffs and Tariff Policies; William Watson, Assistant Expert in Problems of Accounting and Fiscal Control; Richard W. Bonnevalle, Assistant Expert in Accounting and Fiscal Control.

While the members of the Commission will spend considerable of their time in traveling about China, the headquarters of the Commission will be located in the Shanghai office of the National Ministry of Finance, 1c Kiukiang Road, Shanghai where offices have been arranged in the annex to the Central Bank.

study the facts and report their findings to the entire body at frequent meetings for full discussion before the work of drafting definite recommendations is started Concurrent with its study, the commission will hold regular sessions, at which government officials and leaders in all branches of banking, business and industry will be invited to express their views The commission will be receptive to suggestions from all quarters

"When recommendations are decided upon, they will be submitted for the most part in the form of definite projects of law to be promulgated by the Chinese Cabinet or administrative council. Each of the proposed laws, however, will be accompanied by an explanatory report to guide the government agencies in effecting the necessary changes and to help the public understand the reasons for the recommendations submitted Previous missions headed by Dr. Kemmerer have found this to be a more effective way of instituting reforms than the mere submission of a report."

From a historial standpoint, it is interesting to know that this is not the first attempt which China has made to reorganize her currency and fiscal system, the first serious tackling of these problems being in 1903 when, in response to a request from China, the U. S. Congress passed an act creating a Commission on International Exchange which was headed by Dr. Jeremiah W. Jenks, an authority on financial affairs who was a member of the faculty of New York University. The Commission also included Mexico in its scope. China appointed a financial commission to cooperate with the American experts, but largely due to reactionary officialdom and certain international complications nothing constructive came of the effort. However, one result was the establishment of the Tientsin mint, the purpose being to establish a uniform currency. Dr. Jenks' report, which was presented to the Chinese Government early in 1904, provided for a gradual change from silver to gold as the basis of the currency system and while Dr Jenks' recommendations were considered thoroughly sound, they aroused the opposition of Viceroy Chang Chih-tung who issued a report opposing the scheme. According to one authority the opposition of Viceroy Chang Chih-tung was largely based on false economics, but owing to the fact that the Government itself was not wholeheartedly in favor of modernizing the currency and financial system, the whole plan went by the boards. There have also been other attempts to modernize the currency, the Mackay Treaty of 1902. containing a clause whereby China "agreed to take the necessary steps to provide for a uniform national coinage which would be the legal tender in the payment of all duties, taxes, and other obligations throughout the Empire by British as well as Chinese subjects." In 1908 an Imperial Decree announced the adoption of the Kuping or Treasury tael as the unit of coinage and ordering tael coins to be struck. This, however, was not carried out and two years later the dollar was adopted as the currency of the Empire. Dr. G. Vissering, now the president of the Netherlands Bank, who accompanied Dr. Kemmerer to South Africa in 1924, and who formerly was president of the "De Javasche Bank" was appointed in 1911 as Monetary Adviser to the Chinese Government. He was succeeded in 1912 by Dr. W. A. Roest but upon his death, Dr. Vissering again took up the post as Honorary Adviser on Currency Reform. A Currency Commission was created with Dr. Chang Tsung-yuen as chairman and in 1914 regulations were adopted by the President and Cabinet which legalized the *yuan* as the national coin. In 1911 an agreement was signed by Duke Tsai Tze, president of the Ministry of Finance, with an international group of bankers for a five percent "Sinking Fund Gold Loan" for currency reform purposes, but owing to the outbreak of the First Revolution, the loan was not floated. During the course of the World War when the Anfu Clique was in control of the Peiping Government, a group of Japanese financiers attempted to float a gold loan for the alleged purpose of currency reform in China but when it was disclosed that the plan called for the holding of China's gold reserve in the Bank of Japan, so much opposition was aroused that the plan failed even before it was born. The political complications which have existed in recent years have made it impossible for China to undertake seriously the problem of currency and financial reform, but now that the National Government has been organized and the entire country is under the nominal control of one authority, the situation is considered favorable for another attempt. However, as stated in the foregoing, much depends upon the continued stability of the government as well as the international political situation from the standpoint of China's relations with other countries! The very fact that the Kemmerer Commission is now in China and real opportunity is offered for genuine financial and currency reform should provide an incentive for all classes of Chinese as well as foreign commercial and financial interests to cooperate in this important work.

The Status of the Sino-Japanese Negotiations

THE RECORD TO DATE

October 19—General-Baron Tanaka, Japanese Premier and concurrently Foreign Minister sent S Yada, Japanese Consul-General at Shanghai, to Nanking to confer with officials of the National Government for the purpose of trying to reach an understanding in order that formal negotiations might be undertaken. Mr Yada however, was not provided with any credentials for conducting actual negotiations, hence his activities at Nanking can only be classed as "conversations"

October 26—General-Baron Tanaka sent Hachiro Arita, chief of the Asia Bureau of the Tokyo Foreign Office and Koichi Nishida, acting Japanese Consul-General at Tsinan, Shantung Province to Nanking, supposedly for the purpose of "checking up" on the reports regarding the Nanking situation which Mr. Yada, the Japanese Consul-General at Shanghai had submitted to Tokyo regarding the attitude of the National Government

November 10—General-Baron Tanaka is alleged to have sent a secret confidential agent named Kono Ryonei to Nanking for a private conversation with General Chiang Kai-shek, Chairman of the National State Council, apparently for the purpose of "checking up" on reports which Messrs. Arita and Nishida had made regarding the situation at the National Capital and also, according to report, for further "checking up" on Mr. Yada, the Japanese Consul-General at Shanghai.

November 19—S. Yada, Japanese Consul-General at Shanghai, who initiated the Nanking "conversations" and who returned to Shanghai after a stay of six days in the National Capital, returned to Nanking for still further conversations with Dr. C T. Wang, the National Minister for Foreign Affairs.

November 23—Negotiations between S. Yada, Japanese Consul-General at Shanghai, and Dr. C. T. Wang, National Foreign Minister, definitely break down and both issue statements, the reason for the break down being unknown but supposedly on account of Japan's refusal to withdraw her troops from Shantung as a preliminary to the opening of definite "negotiations" for a settlement of outstanding problems between the two countries.

November 23—Although the "conversations" between Yada and Wang are discontinued, Mr Yada opens "conversations" with T. V. Soong, National Minister of Finance on

the question of the China tariff and also, according to report, on the question of China's refunding the defaulted Japanese loans from the increased customs revenues expected to result from China's tariff autonomy program.

December 4—Consul-General Yada demands of Mr. Soong that China must agree to the refunding of Japan's defaulted debts from the increased customs revenues before Japan will agree to China's plans for increasing of the tariff schedules. Chinese papers state Mr. Soong refused to consider the Nishihara loans at all, but that he did agree in principle to a refunding of the "legitimate" Japanese loans and as good faith offered to set aside the sum of $5,000,000 as the first year's payment of interest on the old unsecured Japanese loans.

December 7—S. Yada, Japanese Consul-General at Shanghai refuses to accept China's official Note announcing the new tariff schedules which China intends to enforce on February 1, 1929. The other foreign consuls at Shanghai, including the American and British, accept the Notes and draft of schedules and forward them to their Legations in Peiping.

December 11—Takejiro Tokonami, president of the Shinto Club, a Japanese political organization, occupying a "neutral" position in the Diet, accompanied by Mr. Akatsuka, former Minister to Austria, Lieut-General Idogawa, retired militarist, and a staff of about a dozen secretaries arrive in Nanking, supposedly on a private mission for the purpose of investigating the political situation at Nanking.

January 25.—General-Baron Tanaka announces at a meeting of the Privy Councillors in Tokyo that "the conclusion of a Sino-Japanese tariff pact may be taken as Japan's *de facto* recognition of the National Government, but since recognition requires a legal form, it cannot be said to be complete recognition unless the Japanese Government formally recognizes the National Government with a formal Note. The matter regarding Japan's recognition of National China depends upon the outcome of the negotiations on various outstanding Sino-Japanese issues, which are to be conducted between Mr. Yoshizawa and the National Government." This statement by General-Baron Tanaka constituted the first definite information from Tokyo that Japan had negotiated a tariff treaty with China and probably would not raise objections to the coming into effect of the new Chinese tariff schedules on February 1.

January 25.—Mr. Yoshizawa, Japanese Minister to China, who has been in Tokyo for several months, arrives in Nanking and opens negotiations with Dr. C. T. Wang on outstanding Sino-Japanese questions, the official Japanese *Toho* news agency report stating that negotiations are to be started, first of all on the Tsinan incident.

January 26.—Chinese Ministry of Railways announces that protracted negotiations between representatives of the Ministry and the Japanese Consul at Tsinan on the question of resuming transportation on the Tientsin-Pukow Railway through the Japanese military zone at Tsinan, Shantung, have broken down owing to the conditions which the Japanese military have imposed respecting the inspection of trains which the Chinese declared to constitute an infringement upon their sovereignty.

January 28.—Official Japanese *Toho* news agency announces that Mr. Yoshizawa planned to return to Shanghai, it being "learned on good authority" that the negotiations between Mr. Yoshizawa and Dr. Wang were "on the whole a repetition of the Wang-Yada preliminary negotiations and that though the withdrawal of Japanese troops from Shantung was the principal topic, no reference was made to any concrete measures for the evacuation of the Japanese troops. In short, the Sino-Japanese parleys have resulted in no agreement, but it is understood that Mr. Yoshizawa is giving a dinner-party this evening in honor of Dr. Wang." A later Chinese report stated that Dr. Wang didn't attend the dinner-party, pleading illness.

January 29.—Report from Tokyo states that "owing to his success" in negotiating the new Sino-Japanese tariff understanding, Mr. Yada, Japanese Consul-General at Shanghai is to be recalled to Tokyo and it is not known whether he will be promoted to a new post or sent back to Shanghai.

January 29.—Official *Toho* report from Nanking states that Mr. Yoshizawa and Dr. Wang held another conference and exchanged views concerning the "whole of the pending questions existing between Japan and China." After the meeting Mr. Yoshizawa told the Japanese newspaper correspondents that he had discussed the Tsinan incident as well as the anti-Japanese movement now prevailing in China. "On the whole, I can inform you that effective conversations were exchanged in a friendly atmosphere and I am expecting to hold another meeting with Dr. Wang within a few days," stated Mr. Yoshizawa who explained that he was returning to Shanghai where he hoped further negotiations would be held "the opinions of both delegates being very close due to the conciliatory attitude ... thus throwing a light on the future of Sino-Japanese negotiations.

January 30.—Japanese Privy Council, according to *Reuter* report from Tokyo, formally approves the China Tariff Agreement and notifies the Japanese Charge d'Affairs in Peiping to sign accordingly.

January 31.—*Reuter* report from Tokyo quotes "official circles" in the Japanese Government as declaring that the signing of the China Tariff Agreement only recognized the "Interim Tariff" and did not constitute recognition of tariff autonomy or actual recognition of the National Government; Japanese Government Spokesman also alleged that China had agreed to recognize the legality of Japan's "unsecured" loans made to China and in addition had agreed to set aside $5,000,000 from the increased tariff revenues toward repayment of Japan's loans. Chinese officials denied Japanese allegations regarding "recognition" of Japan's unsecured loans and stated that China had sent identic notes to nine nations, including Japan, asking them to send representatives to China for purposes of discussing the refunding of defaulted loans and that Japan's unsecured loans would have to go into the same pot with the unsecured loans of other countries.

February 5.—Mr. Yoshizawa and Dr. Wang hold conference in Shanghai which lasts for 10 hours, at conclusion of which Dr. Wang was quoted by the official Chinese *Kuo Min* news agency as stating that an agreement had been reached and that formal negotiations would be conducted in Nanking "as soon as the details can be worked out." Mr. Yoshizawa, the Japanese delegate was quoted by the official Japanese *Toho* news service as stating, "It maybe safely said that as the result of this parley, the Sino-Japanese negotiations on the Tsinan affair have been almost brought to a successful conclusion."

February 8.—Dr. Wang and Mr. Yoshizawa meet in Shanghai, supposedly for the purpose of initialing the documents for formal settlement of the Tsinan incident, when Mr. Yoshizawa informs Dr. Wang that upon instructions from Tokyo he cannot agree to the understanding previously agreed upon on February 5 that both sides are to pay damages resulting from the Tsinan incident subject to the findings of a joint Sino-Japanese commission of investigation. Mr. Yoshizawa proposed as a counter measure that both sides should forego claims for damages, but the Chinese refused to consider this on the grounds that 5,000 Chinese citizens were killed and Chinese property was damaged to the extent of several millions of dollars. Sino-Japanese negotiations again deadlocked.

February 13—After prolonged negotiations between officials of the Chinese Ministry of Railways and the Japanese military authorities at Tsinan, the Japanese agree to permit the Chinese Railway Administration to operate a certain number of freight trains over the Tientsin-Pukow Railway through the Japanese military zone about Tsinan. Japanese conditions are not disclosed, but according to reports appearing in the Chinese press, the freight trains must not exceed five miles per hour and must be subject to inspection by the Japanese military when they enter the Japanese zone from either the north or the south. No mention was made in the report regarding permission being granted to the Chinese to resume operation of passenger trains on the Tientsin-Pukow Railway.

February 21—Reuter report from Tokyo stated that Japanese Minister Yoshizawa had received instructions to reopen negotiations with Dr. C. T. Wang for a settlement of the Tsinan incident and that the National Government had been notified accordingty. The report did not disclose the content of Minister Yoshizawa's instructions, but a Japanese *Nippon Denpo* message from Shanghai appearing in the *Japan Advertiser* on Feb. 15 stated that Mr. Yoshizawa had recommended to Tokyo that (1) Japan is to consent to China's proposal for the creation of a joint-inquiry commisson; and (2) that China is to consent to the limitation of the scope of the inquiry of the commission regarding damages as well as other curtailments of the commission's powers.

Of direct interest in connection with the negotiations between China and Japan for a settlement of the Tsinan incident, was a report on Thursday, Feb. 21 by the offici

Japanese *Toho* news service alleging that Gen Chang Chung-chang, former bandit-tupan of Shantung, who was ousted last summer by the Nationalist forces, has returned to northern Shantung and unfurled his flag at the town of Lungkow on the Shantung coast west of Chefoo. The situation on the northern Shantung coast has been disturbed for several weeks owing to the revolt of some 3 000 troops under Liu Kai-tai against Gen Liu Chen-nien, the latter being in command of five divisions of ex-Chihli-Shantung troops in this area which had announced their adherence to the National Government The towns of Lungkow and Tengchowfu, about ten miles west of Chefoo were looted the latter part of January following which the rebellious troops fled southward in the direction of the Japanese military lines along the Tsinan-Tsingtao Railway now controlled by the Japanese military authorites According to latest reports, the troops under Gen Liu Kai-tai, were reorganized and reinforced by other irregular troops at the town of Pinglitien about twenty miles south of Chefoo where they were joined by Hwang Feng-chi and preparations made for an attack on Chefoo. That the situation holds potentialities for serous trouble is obvious because of the difficulty, owing to the Japanese intervention, experienced by the National Government in sending troops into the district The American consular authorities have warned American missionaries at the Baptist mission at Hwanghsien and the Presbyterian mission at Tengchowfu to move to Chefoo for safety

Marshal Feng Yu-hsiang and Shantung

Marshal Feng Yu-hsiang, National Minister of War, who returned to his headquarters in Honan from Nanking two weeks ago, is reported to have concentrated some 30 000 of his best troops in western Shantung, chiefly at Taian for the purpose of advancing eastward along the Tsinan-Tsingtao Railway simultaneously with the evacuation of the Japanese troops as soon as the Tsinan incident is settled Although Marshal Feng's plans have not been announced, it is reported that his plan is to divide his force of 30,000 troops into two armies of some 15,000 troops each and advance eastward to Tsingtao on each side of the railway, the purpose being to prevent bandit gangs or former-Northern soldiers from creating disturbances when the Japanese troops are withdrawn

The inability of the National military authorities to clean out the bandit gangs and irresponsible military units in eastern and northern Shantung has been mainly due to the presence of the Japanese troops, which have created a so-called "neutral" zone some 20-miles wide along the railway. The Chinese newspapaers allege that many of these bandit gangs opperating in eastern Shantung maintain their headquarters within the Japanese zone and according to allegations receive their arms and munition supplies from Japanese gun-runners who flocked into Shantung following the Japanese intervention last summer It is also alleged that Gen Chang Chung-chang, the former bandit-tupan of Shantung, who has been residing in Dairen since he was chased out of Shantung last summer by Generals Chiang Kai shek and Feng Yu-hsiang has likewise been receiving support from the Japanese military which is desirous of creating a disturbed situation in Shantung that will make it necessary for the Japanese troops to remain in that area

Rumors of Feng-Chiang Differences Denied

The return of Marshal Feng Yu-hsiang to Honan and his preparations to send troops into Shantung, have been responsible for the circulation of rumors in Shanghai alleging that serious differences have developed between Gen. Chiang Kai-shek and Feng Yu-hsiang, the allegation being that Gen. Chiang was opposed to Feng's advance into Shantung Spokesmen of the National Government, however, on Feb. 14 officially denied these rumors stating that Feng's advance into Shantung was in full accordance with a decision of the National State Council several weeks ago. Officials of the Government alleged that these rumors had been circulated by the Japanese for the purpose of causing confusion in respect to the Tsinan negotiations, and also regarding the situation in Manchuria which is affected by the outcome of the negotiations of China and Japan over the Tsinan incident

Tsingtao Is Wisely Governed Under Director General Chao Chi

Reports regarding the early evacuation of Shantung by the Japanese troops has attracted attention to the situation in Tsingtao where the administration of Director General Chao Chi, according to press reports, is highly appreciated Chao Chi's administration has been very successful The police control has been improved, finances are being put on a sound basis, educational facilities are being enlarged, cordial relations with foreigners are being preserved, roads are being built, and generally the affairs of the district are being administered in a very efficient manner

Minister Wu Discusses Extrality Question with Kellogg

Dr. C C Wu recently appointed Chinese Minister to the United States, has taken up the qustion of the abolition of American extraterritoriality in China, with Secretary Kellogg of the State Department, according to a cabled report appearing in the *Japan Advertiser* on February 12, which stated that Dr. Wu and Secretary Kellogg had been conferring on the question for some time It was stated that the United States "had heretofore declined to discuss this question, and while no decision had been reached, Mr Kellogg has shown the greatest sympathy with China's desire on the ground that America wishes to remain true to the tradition of being China's best friend." The same report stated that Minister Wu will shortly formally take over charge of the Chinese Legation in Washington and that Dr. Sao-ke Alfred Sze, who has been appointed Minister to London, will shortly return to China for a conference before assuming his new post.

"Sin Wan Pao" Dispute Is Settled

The dissension that had been caused several weeks ago when Dr J C Ferguson relinquished his controlling interest in the *Sin Wan Pao* (one of the leading Chinese newspapers in Shanghai) to an entirely new group, with the result that the Chinese shareholders and directors who had been in virtual command of the policies of the paper for many years had been deprived of their control, has now been settled by the new group agreeing to surrender 300 of their shares to the old shareholders so that the balance of power will be equal The old shareholders have expressed their satisfaction with this arrangement and now the affairs of said paper are again being conducted with the same foresight and enthusiasm that has characterized it in the past.

The Case of the "North China Star"

The *Japan Chronicle* prints a paragraph in connection with the refusal of the Post Office at Tientsin to transmit Charles J Fox's paper, the *North China Star*, that it understands that the *Peking and Tientsin Times* had received a similar communication but that in the case of the *Times* the threat was not being enforced Mr Fox is reported as complaining that in his own case the treatment he received was specially hard because he had always supported the Nationalist Government

Appalling Famine Conditions in Shensi

F H Oliver, who investigated conditions in Shensi for the China International Famine Relief Commission, reports that in one hsien in the area between the Yellow River and Sianfu in Shensi, 70,000 persons out of 120,000 were completely destitute of foods or substitutes, and the remainder of the people managed to get only a very little to eat Dried grasses were being ground with which to make "porridge" Draft animals have nearly all disappeared, the populace having eaten them. In one district a hundred families committed suicide rather than continue to suffer.

Official Invitations Issued for Sun Yat-sen Burial Ceremonies

The Ministry of Foreign Affairs at Nanking has extended official invitations to the accredited representatives of the sixteen treaty Powers, namely, Great Britain, the United States of America, France, Japan, Italy, Germany, Switzerland, Portugal, Belgium, Brazil, Norway, Cuba, Holland, Czecho Slovakia, Spain and Denmark to attend the State Burial of the first President of the Republic of China, Dr. Sun Yat-sen on June 1, at Nanking

Reginald Sweetland Appointed Correspondent for Chicago Daily News

Reginald Sweetland, formerly assistant editor of the Shanghai *Times*, who departed from Shanghai several months ago on a trip around the world, has been appointed correspondent for the *Chicago Daily News* and will devote his entire time to this work in the future, having returned to Shanghai this week. Mr Sweetland, who is a graduate of the University of California, was a member of the staff of the Los Angeles *Times* before coming to China.

Ancient Guilds And Social Change

BY J S BURGESS, PH D.
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To measure change in a social pattern it is essential that there should be designated a clearly defined form of social life by comparison with which the change may be measured. The more definite and fixed the original form described, the more satisfactorily we are enabled to estimate the change It is fortunate for the student of social change in China that the older patterns of Chinese life were so clearly and consistently defined. While the outstanding characteristics of the present forms of social life are change and variety, in old China stability and sameness were as prominent a characteristic. To be more concrete, the family clan organization, village life, guild relationships, embodied in the China of yesterday, were of relatively fixed and unchanging pattern embodied in custom and made sacred by age. To know one North China village thoroughly is to know 10,000 similar villages scattered over the plain. These three basic social groups, moreover, had many similar characters The elders ruled, change was frowned upon, a relatively autonomous and self sufficient group life existed, which was reinforced by group religion and reverence for the past, and activities were largely confined to a restricted local area.

With the rapidity of the change in the social structure which has accompanied the contact with the culture pattern of Eur-American civilization, there is in the minds of young and revolutionary China a very great desire to be rid of this ancient structure and of the attitudes and activites associated therewith Although the slogan of the intellectual movement that preceded the more recent fundamental changes in the social structure and which had much to do with making possible the enthusiastic acceptance of the Nationalist program was *"a revaluation of values"* there seems to have been little dwelling upon the values inherent in this fast-disappearing, age-long, social structure pattern. Oppressed by the restrictions of old family life and by the narrowness and isolation of the ancient village, and by the conservatism of the guilds, the desire is to ("Ta Tao") overthrow the whole structure and to build *de novo* a new family system, to dwell in the more interesting and progressive city and to build up a totally new organization of labor and capital, of factories and trade.

This spirit is, of course, an inevitable accompaniment of a revolutionary movement. To take the extreme attitude may bring about some progress against the inertia that characterises old China, while to dwell at present on the values of the past is to be classed as a "fan-ke-ming-ti", or anti-revolutionist, than which there could be no worse condemnation Then too, influence of the past is ever present in any case and can be counted on automatically to modify all efforts at change But, however much needed such an attitude is from the angle of effective revolutionary policy and however much the leaders of new China may declare that old China in her social organization has nothing to offer but hardened custom and restricting form, a constructive program of progressive change must take into account the forms in which the ancient life took shape if a new enduring social structure is to find its harmonious growth in ancient Chinese soil.

Three Tyes of Guilds

A study of the guilds is an investigation into one of these ancient behavior moulds, the understanding of which would both portray the pattern, by the use of which we might measure the extent and significance of contemporary change in economic life, and through the study of which we might conceivably discover forms, attitudes and values which should be conserved and utilized rather than ignored or discarded, in the present reorganization of social, economic and political life in China. The present study is confined to guilds of three types operating in Peking, namely, the professional guild, or organization of those selling services rather than manufactured goods, the craft guild, or societies composed of workmen who make articles by hand, and the commercial guild, or organizations of merchants who retail or wholesale goods. Writers on Chinese life use the term "guild" or 'gild" to apply also to the religious fraternity (1) or association for a solely religious purpose and also to the provincial guild (2) or clubs of fellow provincials organized in localities outside of their native habitat for purely social purposes or for social and trade purposes. The term is also applied to the great co-hangs of Canton, Newchwang and Swatow (3) which might be technically called "guild merchants" for they were combinations of all the merchants of the given locality to restrict and control trade similar to such organizations in England during the middle ages.

The use of the term "guild" to describe these societies of professionals, merchants and craftsmen is in one respect unfortunate So little has been written on these Chinese associations (4) and so much on the guilds of mediaeval Europe that it is easy to assume an identity that may not exist, and to describe the Chinese organizations in terms of familiar European guild categories. Our treatment is not, therefore, comparative, but merely descriptive of the organization, life and charactistics of these Chinese associations as they operate and have operated in Peking

The material summarized in this paper was gotten largely through the introduction of the ceremonial priest, Mr Jun San Chiao, of the Ching Chung Temple, in the southern city of Peking. Mr Chiao's nephew was an honor student at Yenching University, and prevailed upon his uncle to help in this study. This temple is the one in which many of the craft guilds hold their annual meetings The priest arranged the meetings and the ceremonies of worship that accompanied them and knew intimately the heads of many of the guilds Through his help Mr. Chang by many interviews, feasts, and conferences with the leading guildsmen was able to fill in the inevitable questionaires that supplied the needed information. Another circumstance that makes the material of especial value for our purposes is that there is every reason to believe that the Peking guilds, when this study was made in 1926, were as yet little affected by modern trends of life in China. Due to a high local tariff, neither tradenor industry of a modern kind has been developed extensively in Peking, and thanks to the northern militarists no modern labor movement had gotten underway in the city up to the time of this investigation So the ancient commercial and industrial order went along much as it had for generations.

A Roster of the Guilds

Our combined lists of all known guilds in Peking give us the following approximate totals

Professional guilds	11
Craft guilds	40
Commercial guilds	60
Craft or professional unidentified	17
Total	128

Of the commercial guilds we have complete lists, for all are compelled to register in the Police Department. In addition to the known craft and professional guilds our best estimates indicate another 17 of these two classes. These organizations are not compelled to register under the police. From of old they have been allowed to exist and operate but not as organizations registered under the government We have detailed information on 16 craft guilds, 18 commercial and 8 professional guilds, a total of 42 or a good sample of the total 128.

The list of guilds studied is as follows:

Awning Makers—*Pu Ping Hang* (Cloth Tent Guild).

Makers of awnings or tents of cloth, used in connection with wedding or funeral ceremonies, in public markets and in the fronts of shops.

Carpenters—*Lu Pan Sheng Hui* (Sacred Lu Pan Society). Workers in wood, including house builders, ordinary carpenters, and those proficient in rough wood carving such as is used in connection with ordinary house construction.

Cloth Pasters--*Ke Pei Hang Hui* (Cloth Filling Guild Association).

Those who utilize old rags to make the fillings between the outer cloth covering and inner cloth lining of Chinese shoes.

Cloisonne Designers—*Pei Ching Chia Ssu Hang Kung Hui* (The Peking Fashion of Line (or Design) Public Guild Association)

The members of this organization perform one of the intricate processes in the making of cloisonne. They fashion the metal wires(of gold, silver, or other metal) into designs and attach them to the metal base of the ornament that is being manufactured. Other craftsmen put enamel between the openings within the design before the jars are fired in the kiln. The finished product is polished by another set of workmen. The members of this guild are confined to those engaged in the first process described.

Confectionery Makers—*Hung Lu Hang* (Red or Glowing Stove Guild)

The makers of cakes cooked over the glowing coals in the Chinese-style brick and mortar stove

Dyers—*Tien Hang Shang Hui* (The Blue Commercial Guild Association).

Those who dye cloth in various colors Why the particular color "blue" is picked out for the guild name, is not known.

(*Continued on page 547*)

Chinese Government to Complete Canton-Hankow Railway

Minister Sun Fo of the Ministry of Railways is now making definite plans to start work to construct the uncompleted section of the Canton-Hankow Railway, which is to connect Hankow (Hupeh Province) with Canton (Kwangtung Province), passing through Hunan Province, a total distance of about 650 miles. The Hankow end of the line had been completed up to Lukow (Hunan Province), a distance of about 260 miles, and the Canton end had been completed up to Shiu Chow (Kwangtung Province) a distance of about 140 miles. The uncompleted section is between Shiu Chow and Lukow, a distance of about 250 miles. Of this distance, about 70 miles are in Kwangtung Province and about 180 miles in Hunan Province.

The uncompleted section had been surveyed more than once. But on account of the lapse of time since these surveys were made, the survey monuments were lost. Therefore a resurvey will have to be made. At present, one full survey party had already been placed out in the field, making the survey from Shiu Chow, the present terminus of the Kwangtung section, towards Hunan Province.

The most difficult part of the work is in Kwangtung section; near the border between Kwangtung and Hunan Provinces. There, the line has to pass through a gorge which necessitates the construction of about 66 tunnels inside a distance of about 30 miles.

Mr. H S. Chuck, (卓康成) Recently Appointed Director and Engineer-in-chief of the Canton-Hankow Railway.

The present estimated total cost to complete the construction of these uncompleted 250 miles of railway is about $65,000,000,00. Minister Sun Fo has already made definite plans to raise the fund required It is expected that the first installment of the required fund will be realized shortly and that construction will begin as soon as a portion of the line is surveyed, sometime in April this year.

H. S. Chuck had been appointed Director and Engineer-in-chief on this work Mr Chuck is a graduate of both Stanford and Cornell Universities in U S.A. After his return to China in 1912 he served the Shanghai Whangpoo Conservancy, the Szechuen-Hankow Railway, the Chu Ching Railway as Assistant Engineer, the Tayeh Iron Mines, the Hankow International Famine Relief Commission, the Pacific Trading Company, the Shiu Kwan Highway as Engineer-in-chief, and lately has held the posts of Commissioner of Public Highways of Kwangtung Province and Adviser to the Reconstruction Committee of the Canton Political Council. Mr. Chuck had previously been in business in professional practice in Hankow for a number of years. His technical experience combined with his experience in business particularly fits him to undertake the responsibility of this work for the Government.

Kuomintang Issues List of "Memorable Days'

The Department of Party Affairs Training of the Central Kuomintang Headquarters recently issued a list of days memorable in the revolutionary cause and has instructed all Kuomintang offices throughout the country to observe same. The following is a list of them:

January 1, the New Year Day on which the late Kuomintang leader was proclaimed Provisional President in 1911; February 7, the shooting of workers of the Peiping-Hankow Railway by order of Marshal Wu Pei-fu; March 12, the day of Dr. Sun Yat-sen's death; March 18, shooting in Peiping by order of Marshal Tuan Chi-jui in 1926; March 29, the Huang Hua Kong case, in which 72 revolutionaries were killed in 1910 in an attempt to capture Canton; April 12, the Party Purification day; May 1, Labor Day; May 3, the Tsinan incident of 1928; May 4, the first student movement in 1919, May 5, on which in 1917 Dr. Sun Yat-sen assumed his title as President against the North; May 9, the National Humiliation day, on which China in 1915 yielded before Japan for the 21 demands; May 18, the death of Gen. Chen Chi-mei was announced in 1916; May 30, the Nanking Road affair of 1925; June 16, in 1921 on that day Dr. Sun Yat-sen was driven away from Canton by Chen Chiu-ming; June 23, the Shakee shooting in 1925; July 1, anniversary day for the establishment of the Nationalist Government 1928; July 15, declaration of war against the North in Canton 1926, August 20, the reported murder of Liao Chung-kai in 1925; September 4, the imprisonment of Dr. Sun Yat-sen in London; September 7, the Tientsin Treaty of 1901; September 24, the death of Chu Chi-hsin, noted Kuomintang member; October 10, the Revolution of 1911; November 12, Dr. Sun Yat-sen's birthday; November 22, the Nanking Affair; and December 25, the declaration of war against Yuan Shih-kai by Gen Tsai Ou in Yunnan in 1917.

Circuit Court Rules that Heath Must Serve Sentence

The Circuit Court in San Francisco has reversed the decision given some months ago by the U. S. District Court at Tacoma, according to which Neil McKay Heath, former Shanghai attorney, was released on a writ of habeas corpus from imprisonment at McNeill Island, to which he had been sentenced by the U S Court for China in April, 1927. Information to the above effect was received during the week by Dr. Geo. M. Sellett, U S District Attorney at Shanghai. As a result of this new decision Heath must serve the sentence as originally imposed. Heath had been convicted in connection with the Woodward opium case, and the appeal to the Circuit Court at San Francisco against the Tacoma decision was filed by Dr Sellett last March when he was in America in connection with the case of L. G. Husar, the former District Attorney at Shanghai.

Reception Given at Manila to H. Y. Moh and Party

A hearty reception was given at Manila to H. Y. Moh, Chinese Vice-Minister of Commerce, and party, which included Jabin Hsus, secretary of the Ministry. A reception given February 7 by the Chinese Chamber of Commerce of Manila at the Oriental Club by H. K Kwong, Chinese Consul, was attended by the highest officials of the Philippine Government. Among those present were Vice-Governor and Mrs. Gilmore and Admiral and Mrs. Bristol.

Later the party returned to China, and at Canton were entertained by Gen Chen Ming-chu, Chairman of the Canton Provincial Council, and Chu Chen-hsin, Vice-Minister of Foreign Affairs.

Mr Moh's party returned to Shanghai during the week by the *S. S. President Madison.*

Baron Tanaka's Mailed-Fist Policy

BY LI PAO T'IEN

INASMUCH as China and Japan are so closely situated and the interest of the one is so much bound up with that of the other, any sane-minded person can but be greatly astonished at seeing these two nations at odds, and he is more astonished by Baron Tanaka's efforts purposely bent on the retarding of the natural tendency towards the promotion of mutual welfare of the two nations which can be, and would have been attained, by any means other than the means of the mailed-fist policy. While Baron Tanaka's pompous military show at Tsinan has won for himself the reputation of his being a stronghead man with resolute determinations, the intelligent Japanese are forced to ask themselves what results have been brought about by his military display.

Baron Tanaka challenged the Nationalist troops and the Nationalists turned a deaf ear to the challenge; he then vented his spite by hurling his army against peaceful civilians, by mutilating the Nationalist Commissary for Foreign Affairs, blowing up the huge bridge at Lokow, levelling a part of the Tsinan City-wall, razing blocks of business establishments, destroying the wireless stations at Ch'angching and causing a suspension of traffic on the Tientsin-Pukow line. He represented his case of thus intoxicatedly kicking about stools to be in the interest of Japan How he hoped to accomplish his object by so doing in the interest of Japan, nobody can tell, but everybody can tell that he has brought upon Japan the wide-spread Anti-Japanese movement in China, in the South Sea islands, and wherever Chinese are, Japanese shops have been quickly closing down, godowns are stuffed tight with unsold Japanese goods; Gold Yen have been depreciating in value; the Japanese commercial class abroad has been rapidly loosing credit, great discontent has already been aroused among the merchant and industrial classes in Japan itself; China rapidly finds substitutes for Japanese goods; in short Japanese are forced to change their tune: "Let Japan be boycotted, she has been boycotted before". As a matter of fact, the boycott movement can be made to assume a much greater magnitude than it is at present whenever circumstances demand it. It is helpful for Japan to realize that a boycott, formidable as it was under the militarist regime with its suppression of popular expression of nationalism, was not half so formidable and effective as under the National Government which holds patriotic movements sacred and inviolable.

Tanaka Fails to Realize Facts

Greatly to our regret for Japan that Baron Tanaka has evidently failed to realize the fact that as China is ripe for unification, any intervention with it only hastens its progress. If not for Baron Tanaka's resolute determinations which culminated in the certain grave affair, the amalgamation of Manchuria with National Government would not have been so decisive and so complete. At least, his resolute actions bear another unfailing effect. The minds of the average Chinese, otherwise dormant, have been suddenly awakened to the focus of the Manchurian question. After all, an intelligent Japanese has to ask himself the following pressing questions: Is Baron Tanaka with his party protecting Japan's interests or doing his utmost to damage them? If he professes to have sent troops to Tsinan to protect Japan's interests why were the interests of other nationals without protection at Tsinan not impaired? If he professes to have sent troops for some great ulterior motives, has he attained his object by sending troops? With the rise of nationalism in China and the vigilant watch of other powers, is there any possibility of his ever reaching his objective point? According to Baron Tanaka's allegations, his army had won a glorious victory at Tsinan Why then does he repeatedly approach the vanquished nation for negotiation and why not the vanquished approach the victor?

Beyond all possibility of doubt, Baron Tanaka is aiming to stir up another tumult in Shantung before the settlement of the Tsinan case We see him here again manipulating the pulleys behind the relics of the Shantung Militarists intriguing against the National Government, whereby China would be forced to terms and his own political situation consolidated. We have seen these militarists at conference and their reshaped five-color flag and their pamphlets. Here is another contradiction in his policy. If these political and military outlaws are of any use to his purpose he must have discouraged them by paying military notes for their cash deposited in the Japanese banks. We are afraid that he has been wholly mistaken in his fundamental policy. China is at present too strong for these outlaws to create any trouble of considerable magnitude; the settlement of the Tsinan case can be postponed to any indefinite future without incurring any appreciable inconvenience to China, while the Anti-Japan movement can be extended and prolonged indefinitely to the heavy losses of the Japanese merchant and industrial classes, which the Minseito party represents.

Peiping, Feb. 15, 1929

The Status of Chinese Abroad

Speaking over the Central Radio Broadcasting Station February 14, Edward Bing-Shuey Lee, author of "China's Struggle for Tariff Autonomy", discoursed on the "Legal, Political and Economic Status of the Chinese Abroad."

In the course of his remarks Mr. Lee said that in direct contrast to the nationals of the foreign Powers in China who are under the protection of their gunboats and armed settlements, the Chinese abroad enjoy little or no protection from the Chinese government up till the present. But in spite of discriminatory legislation against them in various parts of the world they have established a reputation for efficiency and square dealings, and under favorable circumstances the Chinese people exhibit greater powers of adaption than any other peoples. The treatment meted out to the Chinese in territory where white people are living he said was such that citizens of China are not given the same privileges and opportunities as Occidentals, But on the other hand, in sections of the world where the whites merely hold political sway, and where economic development is left to the other races, the Chinese have become prosperous merchants and captains of industry side by side with European settlers.

The first Chinese immigrants to the United States and Canada were attracted by the discovery of gold in California and British Columbia. In those early days they were there not as intruders but had filled a much-needed gap in the economic life of America. Railways were not yet constructed, and California was then too isolated from the eastern states to make any substantial progress, California then lacked water and continental communications, her swamp lands needed reclamation, her farms required cultivation, her mines were waiting to be opened, and her industries were still in their infancy. In the expansion and development of California the immigrants from China played a no small part, and the Chinese were largely instrumental in constructing the railway connecting the Atlantic Coast with the Pacific coast and in developing the material resources of the country. Owing to the isolation of California from the eastern states it was impossible for the laboring classes of European origin to reach the western coast, but when the Chinese helped to complete the Union Pacific and the Central Pacific Railways, the laboring elements began to sway the whole western section of the United States in politics and it was not till then that it was discovered that the Chinese were undesirable, useless and unassimilable immigrants.

Discrimination Is General

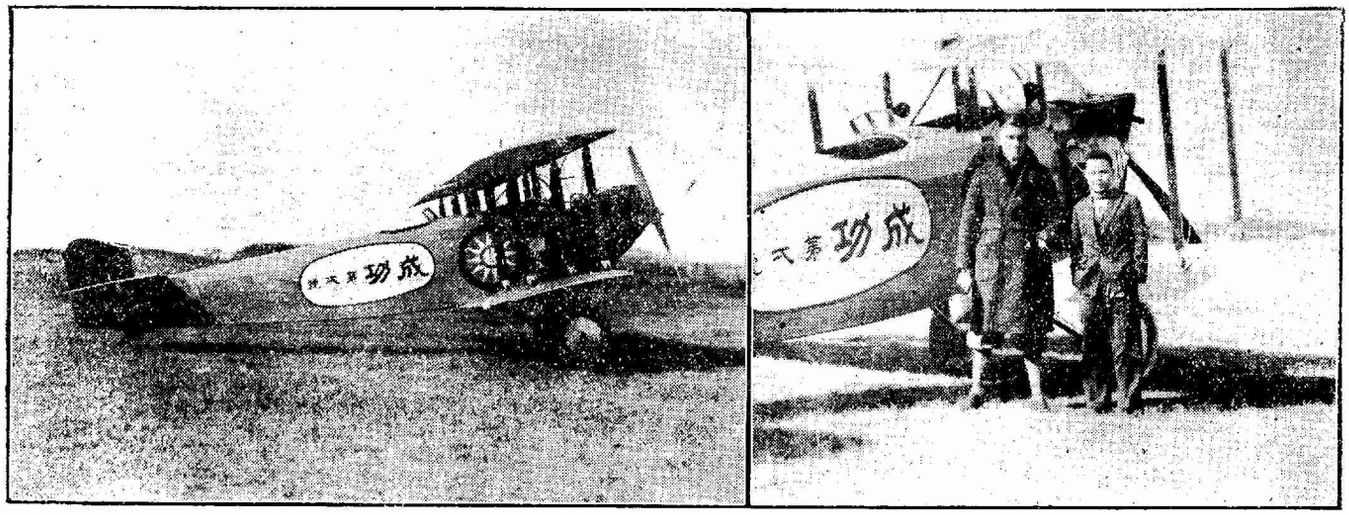
From that time onward the agitation against the Chinese continued and in spite of the fact that they are quiet law-abiding citizens, they were constantly subject to bodily assault and murder, although they have not raised any voice in protest. Assaults on Chinese were not confined to the United States alone. Following the example of the United States, Mexico refuses to recognize the principle of liability for losses and injuries to aliens perpetrated by mob elements In Canada and England, there were cases of anti-Chinese mobs destroying Chinese property, but both the Canadian and British Governments adhered to the principle of liability for the protection of Chinese

In the United Stated the Chinese are not allowed to vote and persons of Chinese origin are not allowed to be naturalized. The California constitution states explicitly that no Chinese can be employed in any capacity in the municipal or public works. This provision also exists in the province of British Columbia in Canada. Another law which cannot be based upon the principles of justice is that in twenty-six states of the United States, members of the yellow race are forbidden to marry members of the white race In certain parts of south Australia, Asiatics cannot hold perpetual leases of land in areas under irrigation. Chinese are also unable to own land in Australia. Australia uses a discriminating and unfair literary test to keep out Chinese immigrants.

In Canada, a head tax of $50 was imposed upon the Chinese immigrants during 1885, and was gradually increased to $500 in 1913. During 1923, however, the head tax was abolished but the terms of the Chinese Immigration Act were much harsher upon the Chinese. In the Eastern section of Canada there is a cordial relationship between the Chinese and the Canadians, but in the Western section of the country the relations are not quite so cordial As early as 1884 British Columbia had passed three anti-Chinese acts — one providing for the arrest of any

(*Continued on page 523*)

National Government Builds its First Airplane



This is a picture of "Success No. 1," the first airplane to be constructed by the National Government in the factory which has been established in the Hungjao airdrome at Shanghai. Standing next to the plane on the left are Lieut. E. F Carlson of the U. S. Marine Corps and Col. Shen Teh-hsieh, the Director of the Hungjao Airdrome.

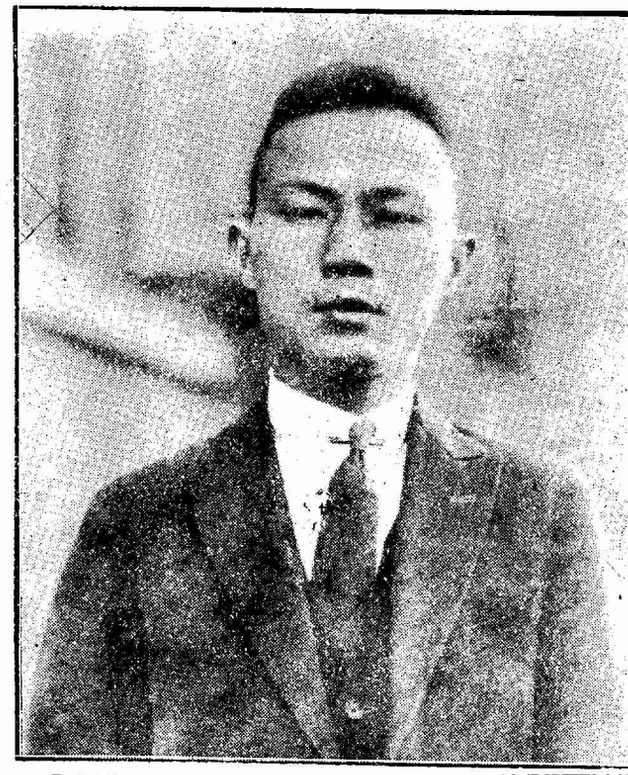
The first airplane to be constructed by the National Government at the factory recently established at the Hungjao airdrome at Shanghai and possibly the first airplane ever constructed in China, has just been completed and has successfully made a trial flight. The plane is named the "Success No 1" and is modeled on the French Candron plane and is equipped with a French Hispano-Suiza 180-H. P. motor. It has a wingspan of about thirty feet and is about 25 feet long. The timber from which the frame-work was constructed was imported from the United States. It was constructed entirely at the Hungjao airdrome under the supervision of Col. Shen Teh-hsieh, who has under his direction some 31 staff members and about 100 workmen. It is estimated that the plane cost Mex. $8,000, of which amount $4 000 was for the engine, $3,000 for other materials and $1,000 for labor. The "Success No 1" has a carrying capacity of 1,000 pounds and a speed of about 70-miles per hour and is said to be capable of reaching an altitude of 15,000 feet. As soon as the weather improves it is planned to make a trial flight to Nanking in order to enable Government officials to inspect the plane.

Colonel Shen Teh-hsieh

Colonel Shen Teh-hsieh, the present Director of the Hungjao Airdrome, was born in Foochow, Fukien Province, in 1895. After graduating from the Naval Acadamy at Chefoo, he served for a number of years in the Chinese Navy. In 1916 he attended an aviation school at Peking. In 1919 he was one of a group of students sent to England to study aeronautical engineering and airplane construction in the Vickers and Rolls-Royce factories. Going to the United States in 1921, he entered the Army Air Service Primary School at Arcadia, Florida. On successfully completing the pilot's course he passed to the Advanced Aviation Schools at Kelly Field, Texas and Post Field, Fort Sill, Oklahoma

Colonel Shen returned to China in 1923 and was assigned to the Aviation School at Peking where he served as Assistant Director, and later as Director. Subsequently he was Squadron Leader with Wu Pei-fu's army. In 1925 he became Chief of Aviation with the Kuominchun Army When General Feng Yu-hsiang evacuated Peking in 1926 he was forced to abandon all his planes Colonel Shen then returned to his native province of Fukien, where he remained till the National troops reached Nanking in 1927. He then became an adviser to the Aeronautical Department at Nanking.

Colonel Shen was appointed Director of the Hungjao Airdrome in June, 1928 During his tenure of office he has been responsible for the construction of the two passenger airplane, "Succes No. 1" the first to be constructed at Hungjao.



Col Shen Teh-hsieh, (沈德燮) Director of the Hungjao Airdrome who superintended the construction of "Success No. 1."

THE STATUS OF CHINESE ABROAD

(*Continued from page 522*)

Chinese by any police constable for going into the province; another providing for the levying of a license of ten dollars per year upon all Chinese above the age of fifteen years, and another preventing Chinese from acquiring land.

Mr. Lee concluded by saying that the Overseas Affaire Committee is now endeavoring to formulate a program for encouraging the Chinese abroad to return to China and devote their energies, knowledge and capital to the reconstruction of China. A new era has now arrived in China's foreign relations, for attacks and discriminatory treatment meted out to the subjects of China have been going on for centuries without redress, but China now demands that her citizens living in foreign countries be treated just as well as foreigners are treated in China.

China Loses a Friend in the Death of Senator Oscar Underwood

The death occurred in the latter part of January of Oscar W Underwood, former senator from Alabama Mr. Underwood was one of China's staunch friends and his work at the Washington Conference to secure tariff revision for China was but one of many things by which he earned the gratitude of the Chinese people.

Sao ke Alfred Sze, former Chinese Minister to Washington, has written to Mrs Underwood at Woodlawn, near Alexandria, Virginia, expressing his sympathy and attesting the appreciation of the Chinese people for the work done by her late husband.

The Ups and Downs of the China Merchants S. N. Co.

BY B. Y. LEE

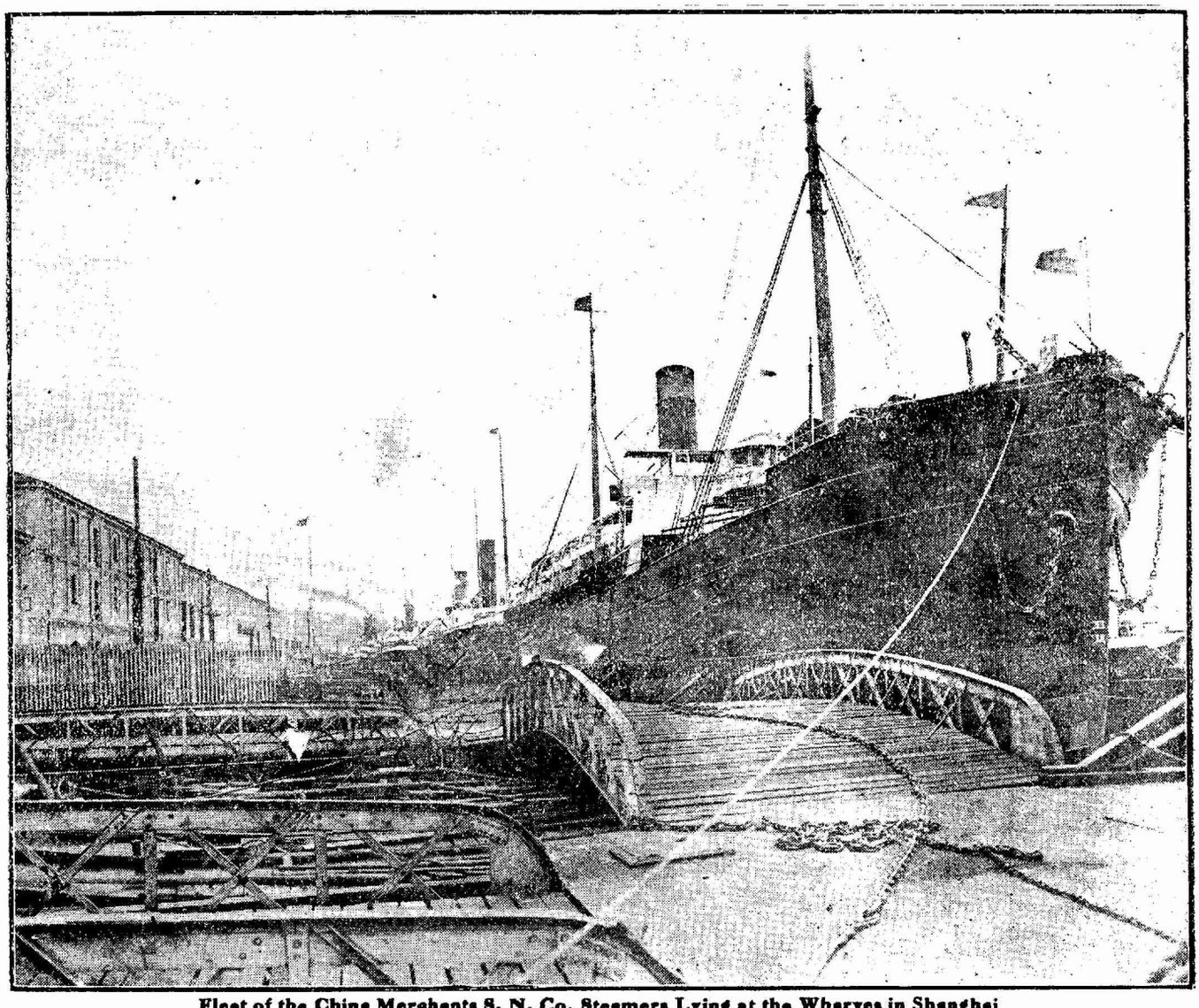
AS China has only a few thousand miles of railroads, her transportation along the coast depends almost entirely upon steamships The commercial prosperity of towns and cities along the coast and inland rivers has to depend a great extent upon efficient and orderly services of navigation companies. On account of the lack of sufficient capital, efficient management, and practical experience, the Chinese navigation companies that have been organised are rather small or under inefficient management and consequently the foreign-managed navigation companies, especially the British and Japanese, which own a greater percentage of tonnage in China inland coast trade, have been unusually prosperous. Whenever a Chinese thinks of a Chinese navigation company, he instinctively has the China Merchants S. N. Company in mind for it is the only Chinese navigation company worthy of the name. All the other Chinese navigation companies are small and insignificant and operate one or more small boats under a thousand tons each, their ships usually running between Shanghai and the nearby inland cities such as Ningpo, Tungchow, Nanking, and other cities along the Yangtse River.

The following Chinese navigation companies have their headquarters in Shanghai: The China Merchants S. N. Co., the Fu Ming, the Ching Kee, the Hoong On, the Wei Shun, the San Peh, the Ningpo Shaohsing, the Dah Teh, the Wing Lee, the Chao Shun.

As the China Merchant's S. N. Company is the oldest and largest of all Chinese S. N. Companies, its prosperity means a great blessing to China as a whole. The history of its process of formation and management as well as the different periods of its development is of great interest. The life of the Company is divided into four periods, namely —the period of formation, the period of government subsidies, the period of prosperity, and the period of depression In regard to the control and management of the company, there have been also four stages that under the government and merchants' management, that under the merchant's management with government supervision, that under the merchants' management entirely; and that under the government control.

Organised in 1872

The China Merchants S N. Company was formally organised in 1872 by the late Li Hung-chang as the principal promoter. Its chief aim was to compete with the foreign shipping companies, which were unusually prosperous Before the operation of this company, there were as many as four thousand native boats, or what is known as "junks', running between Shanghai and other northern ports carrying rice from Shanghai to the north, and cotton and other cereals from the north to Shanghai. After the "Opium War" five treaty ports were opened for foreign trade, and as a result, many steamship routes between Shanghai and these ports were put in operation by foreign interests After a few years had elapsed, the total number of junks was reduced to about four hundred, mainly due to the keen competition of the foreign-operated steamships. Previous to this event a certain magistrate who was put in charge of transporting rice to Tientsin had realised that the junks employed were too slow and also too risky. At that time many Chinese residing in Shanghai owned many steamships flying flags of other nations. Realizing the importance of steamships for quick transportation, this magistrate called



Fleet of the China Merchants S. N. Co. Steamers Lying at the Wharves in Shanghai

these Chinese ship-owners together and asked them to form a Chinese navigation company to compete with the foreign interests. Hence this newly organised company is now called the China Merchants' Navigation Company, which literally means "the calling of the Chinese shipowners together."

At this time the late Li Hung-chang, then a high government official, was interested in this business and appropriated 200,000 "strings" of "cash," then equivalent to about $200,000 from military funds, besides 50,000 taels from his own pocket, as the initial government capital of the company. Three years were spent in building ships, wharves, warehouses etc. At the end of three years, the subscribed government funds were nearly exhausted, but fortunately Li Hung-chang induced many influential merchants both in Shanghai and Peking to subscribe 450,000 taels as "the merchants' capital" Then eight directors were selected,—five appointed by the government and three by the merchant shareholders

After the new company began to operate, rates both for passengers and merchandise were greatly reduced by the foreign navigation companies, which had charged $128 per passenger from Hong Kong to Shanghai and $105 from Hankow to Shanghai, and 25 taels per ton of merchandise between said ports Gradually more ships were added to this company, and more routes were connected, such as from Shanghai to Korea, Singapore, Bombay, Japan, etc. But a newly organised navigation company, operated on so large a scale particularly at that time, could not be easily maintained, and naturally government subsidies were sought for, and at last another 1,000 000 taels came from Li Hung chang In spite of all hardships and difficulties experienced by the people, particularly the poor along the Yangtse River had been greatly benefitted on account of the low rates of transportation charged by the company in transporting rice to cities along the Yangtse.

The Russell Line

Among the foreign navigation companies in operation in China at that time, the largest was the Russell Navigation Company, which owned twenty-five ships operating in various ports in China The Russell Company was American-owned and was registered in Massachusetts Mainly due to the keen competition, this American enterprise was sold to the China Merchants Company for 2,220,000 taels in Nov 1876, the whole property consisting of 25 ships, 5 wharves and warehouses and one repair shop in Shanghai, besides wharves in Hankow, Kiukiang, Chinkiang, and Tientsin The purchase of this foreign navigation company was considered a great victory for the China Merchants Company In 1877 the China Navigation Company and other foreign navigation companies on the China coast came to terms to make an agreement with the China Merchants Company for uniform rates both for passenger and freight.

Between 1884 to 1885 the war between China and France took place, Fearing the enemy might attack its ships, the China Merchants Company put up foreign flags on its ships to secure foreign protection; after the war, that was toward the end of 1885, the Chinese flags were again hoisted. That was the first time in history that Chinese ships flew foreign flags Due to financial distress on account of the war, Li Hung-chang appointed Sheng Tseng-mei, who then held a highly important government position in Peking, to be managing director, and he afterward successfully negotiated a loan of £30,000 from the Hong Kong and Shanghai Banking Corporation This was the first time that the company had contracted a foreign loan Besides this loan, another loan was contracted from the government amounting to 770 000 taels. In 1894 when Li Hung-chang's influence and power in Peking declined, corrupt officials, who had been refused bribes, cancelled many special privileges formerly granted to the China Merchants Company by the government, and forced it to pay a certain sum of annuities and profits to the government. During these few years the life of the company hung in the balance, and it was one of the darkest periods that the company has experienced

Declared a Joint Stock Company

In 1908 both the Departments of Communi ations, and Commerce and Agriculture modified certain regulations of the company and declared it to be a joint-stock company, and directors and auditors were appointed to control and examine the books of the company In 1914 the first annual shareholders' meeting was held, directors and managing director were chosen, and the company's regulations were somewhat modified. In 1915 two kinds of new share certificates were issued, one based on land investment and other immovable property of the company, and another based on the company's ships. Later these two kinds of shares certificates were again exchanged for a new kind, all based on 100 taels per share.

The company enjoyed unusual prosperity during the European War, particularly between 1917 to 1920, when practically all the foreign vessels on the China coast were used for transportation of troops, thus leaving few ships for China inland trade During this period the company should have made enormous profits But instead of pushing the trade and expanding the business, the management sat idly by leasing many of the company's ships to another party and watched the latter make millions of dollars During these prosperous years the shareholders received on the average about 20% dividends At that time the shares were sold for 300 taels for a 100 tael share, but now they are sold below 40 taels per share. Of course during these years of prosperity the shareholders were happy to receive handsome returns on their shares, and very few of them ever thought of examining the details of the management. After the war was over, foreign competition became keen again, and the company has been losing ever since, Consequently no dividends have been paid, no shareholders' meetings have been held, no payments on loans previously contracted have been made, and the wages and salaries of employees have been in arrears for many months A rumor was in circulation last year that the whole property of the company was mortgaged to the Hongkong and Shanghai Corporation.

Besides the inefficient and corrupt management, ridiculous sums of salaries paid to the managing director and the foreign staff, and various "squeezes", the company has experienced much hardship and suffering on account of the internal strife during the past few years. Many of the company's ships have been commandeered by various generals in different sections of the country. One ship was blown up at Kiukiang in 1927 by accident by the former Marshal Sun, many troopships have been detained or damaged and many times services have been suspended During the past few years many of the company's ships have been sunk due to the negligence of its captains. The most pitiful disaster was the sinking of the *S S. Hsin Wha*, which was sunk on the 16th of January last with a terrible loss of more than 300 lives The ship was 1,940 tons. If the company had been properly managed the sinking of the *Hsin Wah* would never have happened, it is said.

A Corrupt Enterprise

The China Merchants Steam Navigation Company has been known as a most corrupt enterprise under Chinese management It is said that in the administrative office, $5,000 is spent on water-melons every summer For this reason the Nationalist goverment took over the management of the company last spring, and this has been creating a great sensation among the shareholders To those who are well versed in the corrupt condition of the Company, government control is deemed necessary and advisable Under the new management, the Company is said to have undergone a great reorganization with the co-ordination and re-division of different departments, the abolition of sinecures, and the elimination of "squeeze." At first much hope was felt for improvement by the reduction of unnecessary expenditures. But nearly a year has gone, and in many quarters complaints have been raised that nothing further has been heard about the progress of the new management

It is reported that Chao-Tien-chiao, Director General of the Company, who had been appointed by the Nationalist government, had stated that since the Company was placed under government control, and under his management the China Merchants S N Company has become more prosperous and that profits have been larger than in any previous years Some shareholders said that statements to the effect that the net income of the Company last year was $2,600,000 and that a large portion of the debts of the Company had been wiped off were incorrect, because payment of the debts were made as the result of a loan of $600,000 with the Company's six vessels as security It is also alleged that a large sum from cash guarantee funds of the Company's employees, and also the Company's bills for coal, etc have not been paid for Of course, it is almost impossible for an outside observer to ascertain the truth of the statements given by both sides. It is reported the government has sent auditors to Shanghai to examine the Company's books and ascertain the profit or loss of the Company since the government management The public will sooner or later know the real condition of the Company, whether it has improved or deteriorated since the management of the Company was taken over by the Nationalist government. It is also reported that during the regime of Marshal Sun Chuan fang the Company negotiated a loan of Tls. 1,500,000 with the National City Bank of New York, which loan is now said to be in default.

Nations Combine to Wage War on Drug Traffickers

A *Reuter* dispatch from Washington, dated February 18, stated that Secretary of State Kellogg had announced the conclusion of an informal agreement between the United States, Great Britain, Japan, and eleven other nations in Europe for closer co-operation in combatting the drug traffic. The agreement involves the direct exchange of information on persons violating the Drug Laws.

Yang Yu-Ting Brains of the North

By Arthur Ransome

(In the Manchester Guardian)

The life of a politician in China is like a kinematograph film run through at an abnormally high speed and sooner or later cut off short. Less than a year ago Yang Yu ting was the most important man in Peking. He was known as "the brains of the Northern militarists." One day last week General Chang Hsueh-liang, who succeeded his father, Chang Tso-lin, when that ex-bandit was blown up on his way from Peking to Mukden, surrounded the house in the Arsenal, where Yang Yu-ting was talking with another general, and "caused the two generals to be shot on the spot, after pointing out their crimes and putting them through a severe examination." There are other versions, but all agree in the important point that Yang, together with a friend, met a violent death. Young Chang seems to have inherited something of his father's character, although in handing over poor Yang's body to his widow he assured her of his distinguished protection whereas when his father made away with a general who had conspired against him he took the opportunity of killing his wife at the same time.

Rather less than two years ago, in March, 1927, I visited Yang Yu-ting, then at the height of his power. His titular position was that of Chief of Staff to Marshal Chang Tso-lin, but it was generally known that Yang's mind made Chang's decisions, and that Chang had become little more than the decorative figurehead on Yang's galley. Both generals lived at the headquarters of the Ankuochun, which were in an ancient palace that had been that of one of the Manchu princes. The palace consisted of a number of one-storey buildings enclosed in a high wall. The streets near the palace were empty, and a crowd of soldiers in khaki uniforms with big hats of dark fur lolled about the entrance gate, which was like a triumphal arch in red and gold.

An Ogre in Authority

I had an appointment with the General, and was presently taken in through the great gate by a few of these ruffians and was within the Yamen. A small building that might have been shown on a willow-pattern plate was pointed out to me as the lodging of Chang Tso-lin, and I was taken to a larger one, which was the home of his omnipotent Chief of Staff. I was shown into a bare room with no furniture in it but a chair and a sofa and a table. The only decorations on the wall were a staff map and, I think, a sprig of cherry-blossom. In a minute or two General Yang came in. His appearance was not that which anyone would expect of a Northern militarist. He was wearing a dove-grey tunic and trousers of the same color, rather short for him, with fawn-colored socks and black felt bedroom slippers. His head was that of a normally egg-faced ogre who had forgotten to shave. His large, loose mouth twisted this way and that in a great expanse of bristly cheeks and chin. His eyes were more prominent than is usual with Chinese. I was glad to be in his presence as a visitor not as a prisoner.

The brains of the North, when they began to speak through those long, twisting lips, were very interesting. General Yang did not believe either in a Northern march to pacify the South or in a Southern march to eject him from Peking. At that time the struggle for Nanking was in progress. "Nanking," he said, "is the test which will decide our respective strengths when we come to negotiations. If General Chiang Kai-shek takes Nanking he will be in a stronger position in talking with us, if he fails he will be in a less strong position. But negotiations there will be. We are ready to negotiate at once with Chiang Kai-shek if he could throw out the Russians. It's not Communism we are afraid of. Only, if Communism is a thing we must have, at least we should like to have it Chinese. It must come to a fight between Chiang Kai-shek and Hankow. We shall not interfere with him while that is going on. Either we shall be openly at peace with him or we shall have a tacit understanding with him. When that struggle is settled in Chiang's favor there is nothing to divide us."

Flight from Peking

So in March, 1927. But the Nationalists did not stop after taking Nanking, nor, after the Chiang Kai-shek group had settled with the group at Hankow, did they seem eager to enter upon any negotiations that would leave Chang Tso-lin and Yang Yu-ting in Peking. Further, young Chang Hsueh-liang had shown clear signs of sympathy with the Nationalists. Little more than a year later it had become a question of escape rather than of negotiation. Chang Tso-lin had got into the bad books of the Japanese. His train to Mukden was blown up in a manner needing such elaborate preparations at so well-guarded a place that it was difficult not to believe that very powerful influences had desired his removal. The old man died from his wounds. The Nationalists entered Peking. Yang Yu-ting escaped in disguise. His hopes were now in Manchuria. Could he play the same part under young Chang Hsueh-liang that he had played under his father? Was it indeed inevitable that this young man should succeed? The Japanese, with whom Yang was well accustomed to deal (he had been educated in a Japanese Military College), were against any union between Manchuria and the Nationalists. Young Chang was by no means anxious to be a puppet in their hands, and sought to strengthen himself in negotiation with them by getting at least the moral support of the Nationalists. It is difficult even for persons on the spot to find their way in the tortuous maze of Chinese political intrigue, but it is at least probable that if young Chang had become a staunch Nationalist (as the Nationalists claim) he must have been aware that should his father's old adviser succeed in ousting him in Mukden the task of the Japanese in Manchuria would be eased. This knowledge would be enough to make him suspicious of Yang. What plot there was, or even if there was a plot, we may never know. But for the moment at least, the death of Yang is likely to strengthen young Chang in dealing with the Japanese and also to bring nearer a union between China proper and the Manchurian provinces.

Major Robertson and Party Studying China as Market for American Airplanes

With the removal of the U. S. Government's ban on the sale of American airplanes in China, interest among leaders of the aeronautical industry at home has been greatly stimulated in the possibilities offered by this country as a field for development of aviation projects. Recently it was announced in the *Review* that the Mahoney-Ryan Aircraft Corporation, of San Diego, had appointed as agents in China the L. E. Gale Company, of Hankow and Shanghai. Now Major W. B. Robertson, president of the Curtiss-Robertson Aircraft Company, St. Louis, and a party of aviation experts have arrived here to study China as a market for American airplanes, and, perhaps, to appoint sales and service representatives for marketing their products here.

Major Robertson, as every one knows, is the man who encouraged "Lindy" in his early ambition to fly the Atlantic. He it was who furnished the financial backing necessary for the historic flight of the *Spirit of St. Louis*. The Curtiss Companies, which Major Robertson is representing on his present expedition, are among the oldest and largest organizations in the industry.

Major Robertson is also president of Aviation Exploration, Inc., a cooperative organization of prominent Americans interested in the advancement of aviation throughout the world.

Asked regarding the nature of the party's investigations here, Major Robertson told a representative of the *Review* that they would include a survey of present transportation facilities and their relation to commercial airlines which might be established.

"It is our idea," said Major Robertson, "to determine as nearly as possible, whether China is ready for the benefits of aviation, whether this country can profitably adopt air transportation. Of course we are interested primarily in determining how American airplanes can best satisfy China's needs in this respect.

"We shall probably be here for several week. During this time we expect to visit as many Chinese as possible who are interested in aeronautical developments. We shall confer with government officials and travel to those sections of the country which already show indications of making flying practicable in China. I particularly wish to talk to the men concerned with the new airline which, I understand, is soon to connect Hankow and Canton. At the latter city we have especial interests, as at present Canton seems to be leading the attempts to popularize flying here."

Major Robertson's party includes his wife, and her sister, Miss Livingston, E. L. Slominger, an expert mail pilot connected with the Robertson Aircraft Company, R. R. Riggs, legal advisor to the Curtiss companies; and James M. Wilson who, prior to his becoming associated with Major Robertson, was with the Chinese Government Customs for more than 15 years.

"From China," said Major Robertson, "our party will probably go to at least two or three other major countries on this side of the world, where we shall conduct surveys along the same lines as those to be followed here. We expect to gather sufficient information during this trip to enable American airplane manufacturers to know how to attempt comprehensive merchandising of their products in those countries where interest in aviation has advanced sufficiently to merit our entry into the markets."

Col. Lawrence and the Afghan Revolt

BY ALEX SMALL

(In the Paris Edition of the Chicago Tribune, Jan. 17)

Afghanistan has been for most western peoples an Alice-in-Wonderland country Being a mere name on a map, anything might be possible in it A few occidentals did, to be sure have some precise notions about it. They were mostly of British nationality, officers of the Indian army, the hardened and inarticulate servants of the Empire who keep watch on the northern frontiers It was long ago, back in the 1840's, that it happened but the watchmen have remembered that in that time a British army ventured beyond the passes and was wiped out

But stranger than anything that could be imagined is what has really happened, at any rate, if the ideas of the ordinary westerner be the standard King Amanullah has lost his throne because he wanted to make his people progressive. Last year he descended from his mountain home and took a little trip to the big cities

That has often in the past proved fatal to country boys; when they go back home, they let the natives know about the splendors of the city, until the latter get tired and exasperated. Unfortunately Amanullah was a king and was not content with mere dazzling, he wanted to take the city back with him and keep it there all his life.

Too Much Progress

So his subjects were told that they were to give up wearing turbans and veils, put on iron hats and short skirts, and listen to the radio and look at the movies. He had seen his friend Mustapha Kemal do the like with the Turks, and maybe he had read history and knew that the great Peter also did the like with his eighteenth century Russians To be sure, Peter encountered difficulties with some of his boyars, but he resolved it simply, he just cut off the heads of the recalcitrant.

Even if Amanullah thought that he came up to the stature of Peter and of Mustapha Kemal, he had forgotten something about his people Nothing has ever prepared them for the invasion Surrounded by mountains they have always been, and they have as jealously kept themselves within those mountains as they have kept all others out. So that whilst they may profess nominally the same religion as a sophisticated Turk of Constantinople, who has taken courses at the Sorbonne and at Oxford, it is quite another matter.

Like all country-folk they have stayed puritan. Of all Moslems, the Afghans are reputed to be the most attached to their ancient prescriptions and rites There is as much difference between them and the upper-class Turks as between the attenuated and sceptical representatives of American puritanism who still inhabit New England and the blood-and-fire shouters of a chapel on the western plains or in the London slums

Lacking precise information about events, which are, at this distance, like those of a Viennese operatta, we might as well give them as sinister and mysterious aspect as possble, with plots and conspirators and all the paraphernalia of a penny-dreadful A villain there should be, and such has been found, at least by the Paris press It is that supposedly all-powerful and underground organization known as the British Intelligence Service. Whatever the truth may be, legends aplenty circulate about it in France It is reputed to have honeycombed the world with scheming agents of superhuman intelligence

People Who Know Too Much

They know all languages and all history and politics, they can find the weak joint in the armor of any other people Their knowledge presumably is equalled only by the inflexibility of their discipline, tales are told of men who knew too much being shot dead masteriously or committing suicide on the receipt of some undecipherable telegram

Without swallowing these stories, it is a reasonable supposition that the British have looked at Amanullah on his spree of progress with other than the eyes of amused indifference. They do not want, on that northern Indian frontier, too much competence at handling western devices, especially those of destruction, and they do not want too much friendship between Afghans and the Russians who lie to the north That has been as much a classic of British policy as, for a longer time, it has been to keep the French away from the mouth of the Scheldt.

Amanullah never has liked the British, and at the time of that little unpleasantness in 1919 which ended in the recognition of the independence of Afghanistan, he is said, on the authority of Dr Mardrus, the French Oriental expert, to have made the mistake of setting a price on the head of one of the most extraordinary men living today, Colonel Thomas Edward Lawrence.

Like the service for which he works, Lawrence has become legend. He knows more about orientals than any westerner alive It was he who in 1918 aroused the Arabs against the Turks and ensured the success of the campaigns of Mesopotamia and Palestine He is the author of two extraordinary books; *The Seven Pillars of Wisdom* and *Revolt in the Desert* One of the greatest guardians of the Empire, he has refused with cavalierly bruskness the honors offered him

And he is reported to have seen that his enemy Amanullah had delivered himself into his hand. He knew the Afghans even better than did their king. And if it really be true that his fine hand and brain have raised this revolt, if he has taken such a signal vengeance, and incidentlly kept Afghanistan from being a menace to the Empire, it only is one more chapter in a life already startling and mysterious enough.

Publicity in Railway Finance

To the Editor, *China Weekly Review*:

In his "Resolution on the Policy of Railway Administration," which was adopted by the State Council, Mr Sun Fo, Minister of Railways, brought forth two points, namely, the unification of railway administration and the independence of railway finance As one of the first steps in carrying out his policy Minister Sun issued a telegraphic order to the Peiping-Mukden, the Peiping-Hankow, the Tientsin-Pukow, the Peiping-Suiyuan, and the Lunghai Railways to render to the Ministry by telegraph a financial statement once every five days The Ministry will in turn, at the end of every month, have a financial statement rendered to the National Government by official document and TO THE PEOPLE by publishing them in the official gazettes of both the National Government and the Ministry of Railways

We remember, in 1927, while Mr. Sun Fo was Minister of Finance, he rendered his accounts to the people once every day by printing a daily balance sheet in the *Finance Daily* and once every month in the *Finance Monthly* both of which were publications of the Finance Ministry We also remember, in spite of the people's repeated demands and the government's frequent promises of publicity in finance, so far, in China's history of of more than 4,000 years and the Republic's history of 17 years, that was the first time when the people had a chance to know the Government's accounts, that was the first time when the Government frankly showed the contents of its treasury to the public

When the monthly financial report of the Ministry is printed, it will be the first opportunity for the people to learn the financial condition of the Government Railways

Secrecy is a handmaid of autocracy and a source of corruption To attain democracy in a country like China with rather unfavorable historical background and such a large proportion of illiteracy, the government's duty in enlightening its people is none too light Besides providing schools, libraries, public lectures, publications and other means to eliminate illiteracy and fight ignorance, the Government should, above all, make itself known and understood. It is only by making itself correctly understood that a government can win the confidence of, and endear itself to, the people It is only by holding the confidence of, and endearing itself to, the people that a government can stand Particularly in matters touching the purse should a government hold nothing from its constituents

At the dawn of the period of political tutelage, such a step offers the people an opportunity to study and supervise the government. It brings the government nearer to the people It removes the obstacle between them It clears the people's misunderstanding and distrust

Further, at the beginning of material construction, publicity in finance will ease the mind of the investors Capitalists have been so far refrained from making investments in China because, as they say, China does not give sufficient protection and China is politically unstable. But China is now unified. With her unification she will easily give enough protection to both industry and commerce whether Chinese or foreign. Her government is busily tackling the problem of material construction Yet investments are not coming in as fast as expected Some still attribute the presence of such a phenomenon to the mentioned cause But to me it seems that lack of business efficiency and publicity in finance are obstacles to investments With this as a first step, it is hoped that other measures towards establishing an efficient business system in Chinese Government enterprises will follow With the establishment of an efficient business-like system, a sound credit, the cause of investment will be established

Finally, on the part of the people rests the responsibility of supervising the Government Without facts and data, they may shift their responsibility on the pretext of ignorance But with even the contents of the Government's vault laid bare, it is up to them to do their part of supervision.

Minister Sun Fo should be congratulated in introducing such a measure. To other offices, publicity in finance is recommended. A. B.

Nanking, Feb. 12, 1929.

A History of the Chinese Northwestern Army

BY YU TINN-HUGH, PH. D.

(Continued from last week)

XVIII—The Attack on Wu Pei-fu (1924)

During the 13th year of the Republic Wu Pei-fu and the Chihli Military Clique conducted a "bogus" election by bribery to elect Tsao Kun as president of the Republic At that time, public opinion was furiously against this move, but no one dared to say anything against it The Marshal thought that something must be done to erase this shame in Chinese history, so he secretly requested those military leaders in the Peiyang Military order who possessed revolutionary ideas to work together to oust the "fake" president Thus, such men as Hu Ching-yi and Sun Yo were secretly working with the Marshal for this cause

It happened that during that same year in the fall, in view of the disagreement of Chang Tso-lin over the election Wu Pei-fu ordered all the forces under the command of the Chihli regime to attack Chang Tso-lin. Thus, the Marshal was ordered by Wu Pei-fu to attack Jehol from the direction of Peking. In late autumn, the Marshal was ordered to go to the front, but without giving him sufficient supplies to carry on the campaign, even such necessities as winter clothing and flour were lacking At that time, the ground in the Jehol region was already frozen But in spite of this unhappy condition, the Marshal was compelled to go So he proceeded slowly toward the direction of Jehol unwillingly.

When he reached Kupeikow, arrangements were then made with the other commanders to return to Peking in order to force Wu Pei fu to stop this meaningless civil strife. On the 23rd of October, the Marshal then ordered a general retreat of his troops back to Peking.

When the Marshal returned to Peking, he then ejected the ex-boy Emperor from the imperial palace, in order to prevent any future designs on the Republic again Then the "sham" president Tsao Kun was imprisoned, and his protege Li Yan-ching, the evil spirit behind him, was shot

When this was done, the Marshal issued a circular telegram advocating peace, and invited the late Dr. Sun Yat-sen to come to Peking to maintain general order in the country and to arrange a fundamental reorganization of the national political system However, events were not what we expected, the late Chang Tso-lin did not keep his promise and changed things according to his own wishes; and General Hu Ching-yi and the late Dr. Sun all passed away in succession

XIX—The Development of the Northwest (1925)

After peace was restored, the Marshal sent out another circular telegram announcing his resignation from public life in order to take the lead for the other militarists to do the same thing However, the Peking Government still wanted him to continue his good work, and his friends also sent telegrams urging him to continue in public office. In view of this, he then took up his new post as Defense Director of the Northwest, and ordered his troops to remove to Kalgan.

When the Marshal was in Kalgan he continued his usual work of training soldiers At that time, his troops were reorganized into the Northwestern Army, which consisted of the 1st, 2nd, 3rd 5th, 6th, 7th, 8th, 9th, 10th, 11th & 12th Divisions, and two divisions of cavalry, two brigades of artillery, and one regiment of communication corps, with an aim to defend the Chinese Northwest as well as to develop it.

At that time various schools such as the Wutze Academy, the people's common school, the industrial training institute for women, the home for the aged, the home for poor children and orphans, the people's hospital, the home for poor women, the institute for the inhibition of opium-smoking and a resting quarter for laborers were also organized Then an experimental forest was also started near Kalgan, and the surrounding farming regions were irrigated in order to facilitate farming and colonization For the prevention of flood, an iron bridge was built at Chingho As a means to facilitate communication. the great Wuchuan Pass was opened to traffic, and the automobile highway from Paotow to Ninghsia was also built to get the northwestern products out from Kansu

During the winter of the 14th year, Lu Hung-chow, the Military Governor of Kansu, resigned his office due to sickness, and his subordinates were attempting to disturb the political conditions in that province. The Peking Government then ordered the Marshal to hold the concurrent post of Military Governor of the province, but he was busily engaged in other activities relating to the development of the Northwest. So he appointed Lin Yu-fen, his associate commander, to assume this post as acting Governor of Kansu.

XX—The War Against Chang Tso-lin (1925)

Since the May 30th incident occurred in Shanghai, Chang Tso-lin was willing to become the subordinate of imperialistic Japan by helping her to suppress the patriotic demonstrations conducted by the people under the regions dominated by the Mukden authorities In view of these high-handed methods of the Mukden authorities in suppressing the patriotic activities of the people, the anti-Chang Tso lin atmosphere was increasing rapidly throughout the country The Marshal then in co-operation with Kuo Sung-ling of the Mukden faction, Sun Chuan-fang of the Chihli faction, and the second and third Honan Kuominchun began to launch an attack on Chang Tso-lin in order to overthrow his traitorous regime. This was October, 1925.

The war was rapidly gaining ground and the Mukden troops were retreating from the Peking-Tientsin region, and the attacking forces under the command of Kuo Sung-ling were already advancing toward Sinmintun quite near to the city of Mukden. The whole Mukden regime was about to completely crumble.

In the meantime, Sun Chuan-fang refused to advance further, then the Honan Kuominchun were defeated, Kuo Sung ling's forces were prevented by Japan to go any further than Sinmintun, and Wu Pei-fu was lining himself up with the British interests to co-operate with Chang Tso-lin Thus, conditions turned from optimism toward pessimism and the allied forces could not advance any further, so the Marshal ordered his troops to withdraw from the Peking-Tientsin region toward Nankow. The Marshal then sent out a circular telegram announcing his resignation from office so that the war would not be prolonged, and appointed Chang Chih-chiang to act in his post as commander of the troops at Nankow. The Marshal then went off to Moscow to study the political and social conditions of the Soviet system in order to gain some knowledge for future activities

XXI—The Resumption of Office at Wuyuan (1926)

After an absence of almost one year from the country, the Marshal finally returned to resume command of his troops at Wuyuan in the latter part of the 15th year. When he came back, he got a new insight into Chinese politics as a result of his observation in Soviet Russia It was his idea that from thence on his army must be "politicalized", that is, must be trained with political knowledge, and that in order to raise the status of the country, party government would be the only solution. So he and his whole army accepted the Kuomintang party principles and policies to work for a free and independent China.

The Marshal resumed office on the 17th day of September in the 15th year of the Republic under the name of Commander-in-Chief of the Allied Revolutionary Army, accepted the Kuomintang flag, issued a new declaration stating this new aim and method in political activities. All his subordinate commanders also sent out circular telegrams announcing their acceptance of the Kuomintang principles and willingness to be directed by the Party under the command of the Marshal in a new revolutionary activity. Since then, the Northwestern Army renewed its full vitality and began a new mission in working for the country.

XXII—Warding Off the Siege on Sianfu (1926)

During the same year, the 15th year of the Republic, the city of Sianfu was sieged by Liu Chen-hua under the order of Wu Pei-fu for a period of eight months. Practically all the inhabitants inside of the walled city were about to be starved to death After the resumption of office by the Marshal, he immediately ordered Sun Liang-cheng, Fang Chen-wu, Sun Lien-chung, Liu Yu-ming, and Ma Hung-kwei, all capable commanders of the Marshal's army to proceed to Sianfu to ward off the siege on that city in order to save the inhabitants living therein.

When these commanders with their forces arrived at Sianfu they fought with the besiegers for more than thirty days in co-operation with the garrison forces inside of the city. Finally the beseigers could not stand the attack from the rear by the Marshal's army, and so on the 18th day of November of the same year, the siege on Sianfu was warded off and many of its inhabitants were saved from starvation.

After the departure of the enemy troops, the gates of the city were opened to welcome the Marshal's victorious army The conditions inside of the city were too terrifying to be described, as many unburied corpses as well as tens of thousands of ill-looking hungry folks who barely escaped death were found everywhere. In view of these conditions, the Marshal then contributed a great sum to be distributed among these hungry people, and buried all the corpses in the northern vacant lots inside of the city, as well as conducted a great memorial service in honor of those who died from starvation and helped in warding off the siege of the enemy

怒濤中的船，那是何等危險；但是牠們所以能經過危境，達到目的，不致半途傾覆，是全靠着掌舵者的大力。

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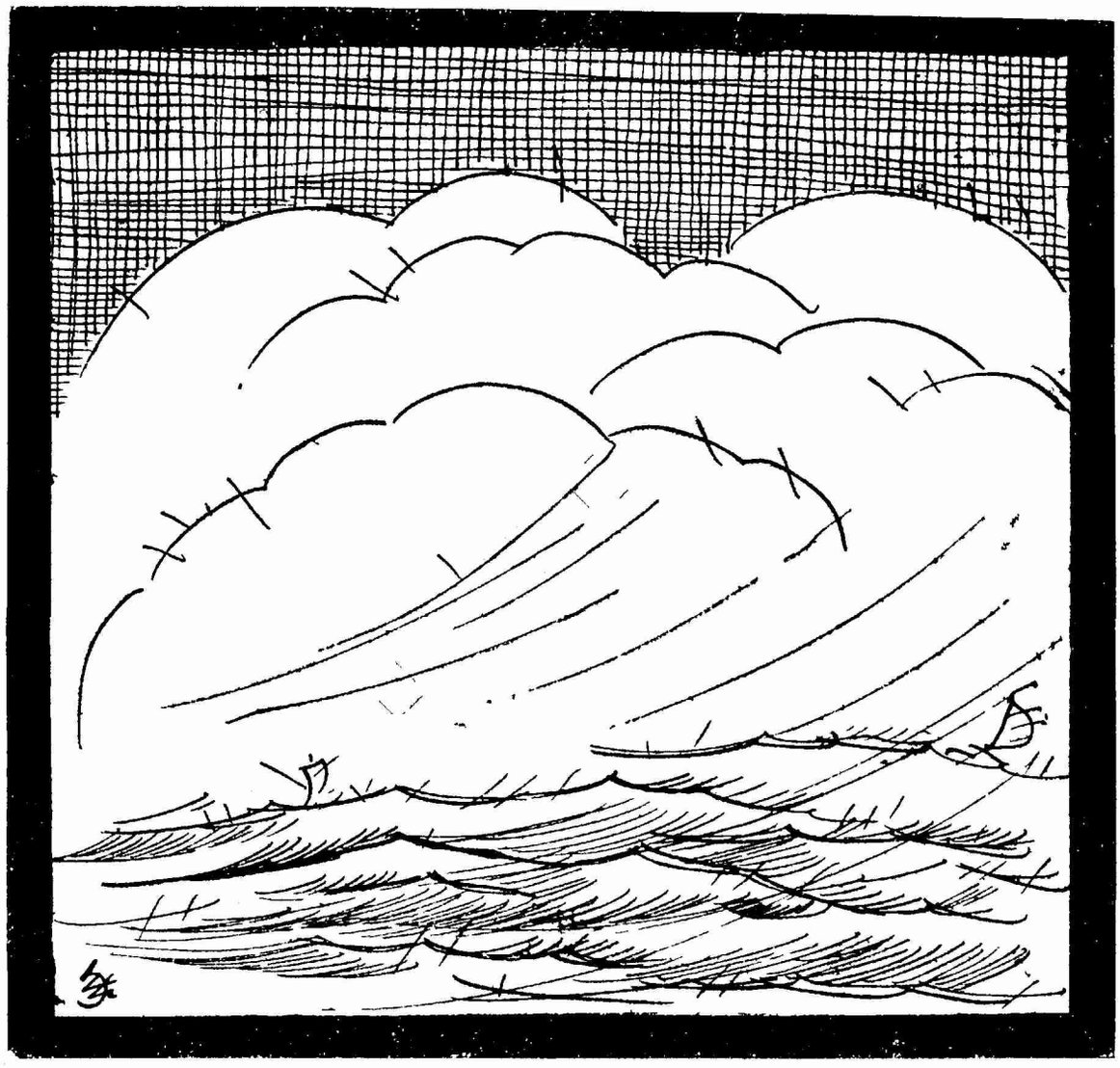

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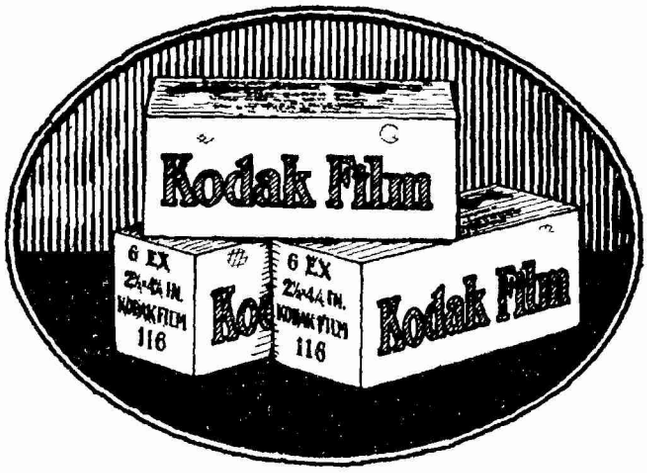

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XXIII—The Advance Through Tungkuan

The Marshal's strategem in carrying on the revolutionary activities after his resumption of office was to launch out from Suiyuan into Kansu, thence to Shensi and then force a way out of Tungkuan into the heart of China When his troops arrived at Sianfu, they were reorganized and given more training as a preparation for the advance out of Tungkuan This latter place is a very important and dangerous pass lying between the provinces of Shensi and Honan The fate of dynasties in former times was usually decided in encounters at this pass of great historical fame

After his withdrawal from Sianfu in the recent siege there, Liu Chen-hua was still commanding an army of more than fifty thousand strong staying in western Honan In the meantime the Marshal sent someone to meet him in order to induce him to join the revolutionary movement To this move he agreed, and accepted an appointment from the Marshal as one of the revolutionary commanders Unfortunately his subordinates were men of little foresight, which caused their actions to be changeable.

In view of the co-operation between Wu Pei-fu and Chang Tso-lin to carry on warfare against the Marshal's army, the Mukden troops were then sent into Honan In the meantime, Wu Pei-fu and his most important commander, Chin Yun-ao, were quarrelling among themselves which caused Chengchow to fall into the hands of the Mukden troops After the fall of Chengchow, Wu's influence began to totter, and the Mukden troops gained an upper hand on both sides of the great River.

As this condition was happening in Honan, the Marshal then sent Sun Lien-chung with his 14th army to go through the Chingtse Kuan pass into southern Honan in order to attack the Mukden forces under the command of Yu Hsueh-chung at Nanyang; and sent Sun Liang-cheng with his third army, Ma Hung-kwei with his fourth army, Shih Yiu-san with his fifth army, Han Fu-chu with his sixth army, with Fang Chen-wu's forces and the cavalry troops, altogether numbering more than one hundred thousand strong to pierce through the Tungkuan Pass.

In the meantime, the Chihli troops under the command of Chang Chih-kung at Loyang surrendered to the Mukden forces and in co-operation with them began to encounter the Northwestern Army at Sinan Aside from Chang Chih-kung's troops, the Mukden commanders sent additional reinforcements to assist Chang However, the Marshal, through his strong efforts to encourage his troops, defeated the combined Chihli-Mukden forces and a few days later, both Sinan and Loyang were captured by the Northwestern Army, which then forced its way out into the heart of Honan.

XXIV—The Combined Maneuver at Chengchow (1927)

At the time when the Mukden forces were disturbing Honan, the Chihli troops under the command of Chin Yun-ao tried to repulse them—at first quite successful, but later failed. At that time the Southern Revolutionary troops were advancing northward from the Wusengkuan Pass into Honan

When the Mukden forces were defeated at Loyang, they gradually withdrew not only from the Loyang direction, but also from the southern front as well As the Mukden troops were withdrawing, the Southern Revolutionary forces were pushing northward, So when the Northwestern troops reached Chengchow, the Southern troops also arrived on the same day.

The Marshal arrived at Chengchow on the 10th of June The military leaders of the allied revolutionary forces then met at Chengchow to discuss their future plans for going further north In the meantime, the Mukden troops were rapidly withdrawing across the River.

At the Chengchow Conference, the leaders from the Nationalist Government such as Wang Ching-wei, Tan Yen-kai, and Sun Fo were present to meet the Marshal to discuss their plans of co-operation in the Kuomintang as well as sending an allied expedition northward to repel the defeating Mukden troops.

XXV—Conciliating the Nanking and Wuhan Factions(1927)

As the Northern Expedition was in full progress, the Communist Faction within the Kuomintang was repeatedly disturbing the Southern Regime by the adoption of terrorist methods as well as intriguing a break in the Nationalist Government This caused the Northern Expedition to be stopped for sometime.

In the meantime, the Nationalist Commander-in-Chief, General Chiang Kai-shek, wanted to get rid of the Communist Faction in the Kuomintang, and the Nationalist Government oonsidered this move to be against its order so he was dismissed from office.

As General Chiang was ordered to be dismissed, he, on the other hand, considered that the Government was controlled by the Communist Faction, which could not, then, be represent-

ative of the Kuomintang, so he called a joint meeting of the executive and supervisory committees of the Kuomintang at Nanking to organize another government, in opposition to the one at Wuhan. The Nationalist Faction then split into two.

The Marshal then considered that if the Government should be divided, the Northern Expedition would not be able to succeed, so he advocated a reconciliation between the two factions by calling two conferences of the leaders, one at Chengchow and the other at Hsuchow to get their real attitudes, and then tried to combine them together.

In the meantime, there were military movements along the Yangtse Valley, one eastward from Wuhan, and the other westward from Nanking, but the Marshal strongly advised both sides not to take such foolish steps—which advice was considered by the parties—and so the war along the Yangtse Valley was avoided.

Later, the Communist Faction in the Wuhan region also violated the Kuomintang principles and decisions, and was then expelled by the Wuhan Faction from its ranks. At this time, the northern troops were pressing on across the River. In view of this critical condition confronting them, the two factions finally realized that after all unity is the best policy, and so the Wuhan Government was dissolved and its administrative functions removed to Nanking to join hands with the new government there. Thus, through the good office of the Marshal, the Nationalist factions joined hands once more, and the critical situation confronting them was once again cleared up.

XXVI—The Suppression of Chin Yuo-ao (1927)

Chin Yun-ao, an important subordinate of Wu Pei-fu, was ruining the province of Honan for years through the destructive work of his soldiers. When the Northwestern Army was piercing through the Tungkuan Pass into the plains of Honan, Chin Yun-ao saw its invincible strength, so he outwardly expressed his submission to the Nationalist cause by allowing himself to be under the direction of the Marshal, but inwardly, he was still an enemy of the cause. So when the Wuhan and Nanking factions were at loggerheads, he secretly lined himself up with the Mukden forces as well as those of Chang Chung-chang and Sun Chuan-fang, together with those of Tang Seng-chi, the traitor to the revolutionary cause, started a rebellion against the Nationalist regime and began to attack the Northwestern Army on the 8th of September. Under such critical circumstances, in order to prevent further disturbances in the country, the Marshal ordered his troops to suppress this rebellious army under the command of Chin Yun-ao When this order was issued, the enemy troops were all suppressed within a period of ten days.

XXVII—Later Victories in the Northern Campaign

After the suppression of Chin Yun-ao's forces, the Northwestern Army continued its advance both north and eastward to pursue the Mukden troops on the one hand, and to repel the Shantung forces under the command of Sun Chuan-fang and Chang Chung-chang in order to prevent them from advancing southward to threaten Nanking on the other. So on the 4th of November, a great victory was gained in Eastern Honan and on the 27th of the same month one of the superior commanders of the Shantung forces, Pan Hung-kun, was captured alive. After these repeated victories, the Army was still advancing eastward and captured the city of Hsuchowfu, the important crossing point of the two great trunk lines, the Lunghai and the Tientsin-Pukow Railroad, on the 16th of December It was late in winter, so after the capture of Hsuchowfu, the war was at a halt, waiting for further re-alignment of the revolutionary forces for the new advance in the coming spring

During this period of temporary halt in military activities, the troops of the Marshal were reorganized and every preparation was made for the coming spring drive. Then on the 1st of February, a great memorial service in honor of the suffering people of the war affected area and those officers and soldiers who died during the various campaigns was held at Kaifeng.

Then in April, the new advance toward Peking was started again, and on the 16th of the month the city of Tsining was captured by the troops commanded by Sun Liang-cheng on the Shantung border. Fengan was also captured on the 22nd of the same month, and Tsinanfu on the 29th.

Along the Peking-Hankow Line front, due to the capture of Tsinanfu, the Mukden troops were withdrawing northward on a general retreat north of Changtehfu As a result of this general retreat, the city of Taming was captured by Liu Chen-hua on the 3rd of May, Suntehfu on the 8th, Shihkiachuang on the 9th, and Tehchow on the 13th of the same month by the same forces

On the 14th of May, the troops commanded by Lu Chung-lin advanced beyond Paotingfu on their way northward toward

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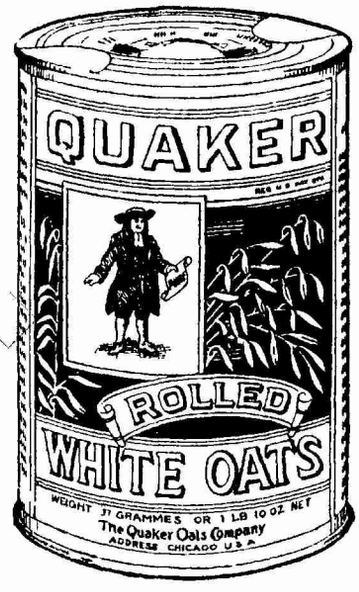

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the Peking-Mukden Line In the meantime, the troops commanded by Sun Liang-cheng also continued their northward advance, and on the 14th day of May, the city of Tsangchow was also captured; and Mahchang was captured by the same troops on the 3rd of June

On the 6th of May, the troops commanded by Han Fu-chu were arriving at Nanyuan near Peking to repel the retreating Mukden forces from that direction. On the 7th of June, Lu Chung-ling moved his headquarters to Tientsin In the meantime, the enemy forces were peacefully retreating from both Peking and Tientsin. This made the long-aimed-at Peking fall into the hands of the revolutionary forces, and the long-expected Northern Expedition now came to be realized

After the fall of Peking, the revolutionary military leaders called a conference there to discuss their future plans Among the participators were General Chiang Kai-shek, Marshal Feng Yu-hsiang, Yen Shih-shan, Li Chi-shen, and others. After this conference was over, these leaders came one by one to Nanking to rearrange the general affairs of the country, and the Marshal also came in August to participate in the fifth Kuomintang Conference After the Conference was over, he returned to Kai-feng, and then to Sianfu to inspect his troops. He then returned to Nanking again in October to assume office as Minister of War, and Vice-Chairman of the Administrative Council of the Nationalist Government

To-day the Marshal's great army is as vigorous as ever, and as solidly organized as ever. Other armies and troops, after one defeat were completely smashed and disappeared, but this great Northwestern Army sticks together under every and all circumstances, regardless of victory or defeat. Judging from what it has accomplished in the past, it will yet have a greater mission in the future This ends the story of this great army up to the present time Greater achievements will, of course, be expected from it in the future, by all those who take an interest in it.

Shanghai, Jan 31, 1929

Railway Construction in Manchuria.

(*Chinese Economic Bulletin, Feb 2*)

Railway construction in Manchuria has been making rapid progress during the past few months

The Suihua-Hailun section (103 miles long) of the Hulan Hailun Railway north of Harbin was completed on December 7 and opened to traffic from December 15 The Angangchi-Tsitsihar extension of the Taonan-Angangchi Railway, 31 kilometres long, was completed on December 8 and traffic was opened on December 11 Through traffic from Tahushan on the Peking-Mukden line to Angangchi having been inaugurated on December 1 via Tungliao-Chengchiatun, Taonan-Tsitsihar has now direct communcation with Tahushan On the Kirin-Hailungcheng Railway, the section between Chaoyang and Panshih was opened to traffic on November 11, and the remaining work is being energetically pushed on For the construction of this railway $17,500,000 is said to have been defrayed by the Kirin Provincial Treasury, while $2,000 000 has been obtained by private loans The length of the whole line is about 124 miles The new railway from Hailin on the C. E R. Eastern section towards the south to Tungching-cheng, via Ninguta, a distance of about 40 miles, was built mainly for the purpose of timber transportation

Various new railway lines for Manchuria have, also, been projected One of these is the Mukden-Fakumen line, which is probably intended to be extended further north west to Chengchiatun, thus affording Mukden direct communication with Tsitsihar, without having to use the roundabout way over Tahushan It is reported that $30,000 000 is to be raised for this purpose, one-third each by the Government, the principal banks and public subscription Another railway is being planned form Hailungcheng E S E. to Fusung and a surveying party has already been sent out by the Mukden Hailungcheng Railway Construction Office A third new railway scheme aims at traversing the whole of Eastern Kirin by a railway extending from Kirin across the C E R to Fangcheng on the Amur River, for which purpose $80,000 000 is to be raised.

"St Johns Echo"

St John's Echo for January is a well printed magazine of more than 150 pages It is published by the students of St. John's University, located on the outskirts of Shanghai Among the contributors are T. V. Soong, Minister of Finance, and Dr C T Wang, Minister Foreign Affairs, the former contributing an article on the Taxation Policy of the Nationalist Government and the latter an article on Politics and Students Chen Pingtsang has contributed an article on Financial and Economic Reconstruction and Che Chun-yung an article on American Policy in China. There are altogether more than twenty contributors

In South China To-day

(From a Correspondent)

The Mui Tsai question in Hongkong has for years exercised the patience of reformers in England and recently there has been a revival in London of the agitation against the system as prevaling in Hongkong In the House of Commons four questions were put to the Government early in February as to what had been done to suppress the Mui Tsai System and Lieut-Colonel Amery, the Dominions Secretary, replied that he was awaiting a report of the working of the Ordinance passed in Hongkong in Februarv 1923 to cope with this problem Lady Astor suggested that it was far from wise to allow the system to continue under British administration. Upon Miss Susan Lawrence asking when the Government expected to get a report from the Governor of Hongkong on the subject, Lieut Col Amery said he hoped to get the report within the course of the next few weeks. In explanation of the difficulties confronting the Home Government, he said that there had been a large influx of Chinese families from the mainland and these may have included a considerable number of Mui Tsai He further said that he had no reason to believe that the authorities in Hongkong were not carefully watching any case of ill-treatment or any case in which a girl expresses a wish to leave the family with which she is living and to live by herself. 'Obviously,' he added "nothing could be more cruel than to drive these girls from the family with which they happen to be living" The history of the movement against this form of domestic service, amounting in some respects to virtual slavery, needs no detailed recapitulation. It will be recalled that in 1922 there was a strong outcry against the old Chinese custom of purchasing young girls as bond servants who were paid no actual wages and the treatment of whom was in many cases brutal. Instances of cruelty, sometimes of an inhuman nature, repeatedly occurred and the body which was formed to seek abolition of this type of bondage had a good case

Ordinance Is Passed

After protracted controversy, the matter was made the subject of legislation and the Female Domestic Service Ordinance of 1923 was passed. This distinctly declared that "no person shall hereafter take into his employment any *mui tsai*." Provision was made for the retention of existing *mui tsai*, Part 3 of the Ordinance declaring that it should be lawful for the Governor in Council to make regulations for the registration of *mui tsai* and the keeping of such registers up to date This part of the Ordinance has, however, never been put into effect. Sir Edward Stubbs, who was Governor at the time, stated in council, on the second reading of the Ordinance, that "the matter of registration is, to my mind, not of the first importance," and the Hongkong Government has apparently been acting on that line of policy, for no attempt has yet been made to introduce registration. The idea seems to have been to interfere as little as possible with an established custom of a section of the community but it was maintained by the Anti-Mui Tsai Society at their meeting in October last year that absence of registration has permitted breaches of the Ordinance, and that the number of *mui tsai* in the Colony has actually increased since 1923. The Anti-Mui Tsai Society is now seeking to obtain the introduction of registration, as provided for in the Ordinance, as well as the payment of wages to the girls, with the granting of their freedom on their attaining the age of eighteen. It is recognized that a difficult problem faces the authorities in the enforcement of registration inasmuch as the Chinese custom of adoption of girls by purchase so closely resembles the acquisition of *mui tsai*. The Society is desirous that aodoption should also be registered in order to detect breaches of the law more easily.

In China itself, the *mui tsai* system has been abolished by law but the system is still practised clandestinely. Girls are sold to those who can afiord to buy them "until marriageable age." This age is not fixed, but common practice puts it at sixteen.

It is now proposed in Hongkong to register all *mui tsai* in the Colony within six months, to cancel all documents relating to the sale of *mui tsai*; to take finger prints of all *mui tsai* in the Colony, to explain to both the master or mistress and the *mui tsai* that hereafter the girl must be treated as an ordinary hired servant, with 50 cents wages a month in the case of a girl between 12 and 14 years of age and one dollar a month between 15 and 17; and to finally emancipate all *mui tsai* upon their attaining 18 years of age. Part two of the proposed regulations regarding the registration of adopted daughters is similar to the first part with the addition that an education similar to that given to their own children be provided to the adopted girl and that a heavy fine be imposed on those who employ an adopted daughter as a *mui tsai*, and imprisonment if they employ or sell her for prostitution. The Hongkong Government has been requested to enforce the law prohibiting the sale and purchase of human

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Cities through which the line at present operates are celebrated for their temples and walls and gates. Changsha, with a population of 500,000, is especially worth visiting It is called the cleanest city in China and it is noted as the only city in the south which withstood the seige of the Taiping rebels who scourged China more than half a century ago. Trade is flourishing here always, the principal articles dealt in being rice, tea, paper, tobacco, hemp, paulownia oil, earthenware and antimony. Chuchow also is an interesting city, having many temples of note The road from Shiuchow to Canton, and thence to Hongkong, is safe, comfortable and operates with first class service.

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beings and punishing persons who act as middle-men or go-betweens for sale and purchase.

In Canton, the Provincial Government does its best to prohibit the system The revised regulations promulgated by the Provincial government relative to the abolition of the *mui tsai* are as follows —

(1) Authorities of the municipal governments or *hsiens* (districts) should submit to the Provincial Government Council or Ministry of Civil Affairs in Canton City detailed and authentic reports regarding the treatment and condition of *mui tsai* in their respective places within three months in the case of *hsiens* and two months in the case of the municipal government (2) Complete freedom should be restored to male slaves in the villages, especially slaves working in farm houses and the use of the names of "master" and "slave" shall be entirely abolished. (3) It should be made known to all concerned that the authorities will take immediate action and investigate all cases where former "masters" attempt to intimidate and force slaves to return or refuse to give freedom to the oppressed. (4) From the date of announcement of the law the buying and selling of slaves or *mui tsai* and even the placing of one's daughter or son as *mui tsai* or slave as security for short loans, are strictly prohibited. Furthermore, all previously drawn up agreements to this effect binding a person to be a slave or *mui tsai* will be cancelled. (5) Likewise the title *mui tsai* and mistress shall be dissolved and all such *mui tsai* shall be called adopted children and all written bonds and agreements binding and harnessing the girls to servitude shall be handed to the nearest Police Station. (6) All adopted children must be given good treatment and education in school when they reach the age of 12. The girls should remain at school until they are 16 The "parents" will see that the adopted girls are married before they reach 23 unless it is their wish to remain single (7) Parents must not force adopted daughters to be married as concubines (8) Adopted parents should provide their children with adequate and reasonable treatment, including clothing, lodging and food (9) District authorities must take steps to consider the possibility of establishing wards and schools for the benefit of former *mui tsais*. (10) Adopted daughters, ill-treated by their parents and discovered and proved by evidence submitted by neighbors or officers of the law will be given a home in the government maintained wards or schools and in such cases the guilty parents are liable to punishment in the form of a fine or other sentence. More drastic punshment will be imposed on those found to have broken this law more than once (11) For violating the third, fourth and seventh regulations the authorities will impose punishment on the guilty according to the extent of the wrong done and for those transgressing the second, fifth and eighth regulations fines will be imposed. (12) The above regulations will be enforced on the date of announcement.

The Lunar New Year

Although the Government has enjoined the people to observe the solar calendar, the public here continues to keep the lunar system During the past three or four days the traders have been busily engaged in settling accounts whereas storekeepers have done a good trade in spite of the financial stringency, the various establishments being always full of customers. The solar new year passed off very quietly, only the officials observing it in a half hearted manner, and there was hardly any celebration worth speaking of, but to-day, the eve of the lunar new year, the streets are thronged with people, and there is a distinct holiday atmosphere Numerous *pailaus* (honorific arches) have been erected in various parts of the city, and long strings of firecrackers are visible everywhere, waiting to go off promptly at the stroke of midnight The people are following the usual custom of exchanging gifts at this time, from sweetmeats to silks, and children and menials will freely receive money wrapped in red paper Paper notes have been scarce this past week in consequence of the heavy demand for them, as a result of which a large number of inferior coins have been let loose on the market. (It is a pity that the anthorities have until now made no serions effort to improve the coinage of this province. A good deal of fuss was made some months ago in regard to the minting of new 20-cent coins to replace depreciated coins of the 13th year of the Republic but it is a sad commentary upon the attitude of the authorities that the new coins have already been found to be as worthless as those they were intended to replace. One must admit that in so far as the minting of money is concerned the Japanese are much more honest! When one gets a ten or twenty-sen piece in Japan, one does not need to bite it, bang it on stone or put it under the microscope before accepting it! It would do the Chinese Government much good to copy some of the methods of the Japanese!)

Police Activities

To prevent unpleasant eventualities, the military and the city police are patrolling in large numbers and from time to time suspicious people are stopped and questioned as to their movements. It is the custom of the Cantonese to walk about the streets till midnight to meet the new year and at the time of writing, 10.30 p.m, pedestrians in the principal streets seem to be as numerons as ants The flower stalls are doing a good business while the cinema halls are full. Several days ago the motor bus drivers and conductors demanded double pay for the lunar new year. The bus owners refused, whereupon the men drove the buses through the streets at break-neck speed, causing terror and danger to all other users of the road. Upon the police intervening, new tactics were employed. this time the buses were operated at snail pace, crawling along at four or five miles an hour. This sort of thing lasted until the other day and must have caused the owners to lose a large sum of money. The men got what they wanted and the owners have lost both ways, not to mention "face"

It is usual for numerous fires to take place towards the approach of the lunar new year but this year, thanks to the special vigilance of the police and night watchmen, several outbreaks were noticed and put out in good time. The Cantonese have put up a fairly good fire-fighting service, perhaps the best in China outside of the foreign settlements.

Highway Building

If the present rate of progress is maintained, the provinces of Kwangtung, Kwangsi, Hunan and Kweichow ought to be connected by motor roads in the course of this year. Thf moving spirit in this direction seems to be the province oe Kwangsi which is moving fast and with a definite scheme to provide better means of communication between itself and its neighbors There is no question but that American automobile dealers will do a good business in American cars with the growing stability in South China for it is clear that railway building on a large scale cannot be indulged in for several years yet. The Chinese in the South have shown great interest and enterprise in motor transportation and American automobile dealers ought to take full advantage of the situation. German and British cars are still too expensive to suit the South China purse whereas the Americans are not only able to sell good cars at cheaper prices than their European competitors but they have the good-will of the Chinese hereabouts as well. Kwangtung to-day has more motor roads completed than Kwangsi but the latter has built its own in accordance with a well-planned scheme and policy while in Kwangtung the different districts have the option to do so or not. In any case Kwangtung has until the end of 1928 built some 6,000 *li* of modern roads while Kwangsi has about 3,000 *li* to her credit. General Chan Ming-shu, Chairman of the Kwangtung Provincial Administrative Council, is a believer in good roads and his record as rehabilitation commissioner in Southern Kwantung and Hainan relative to the maintenance of the fine public highways built by his predecessors is well understood in this part of the world.

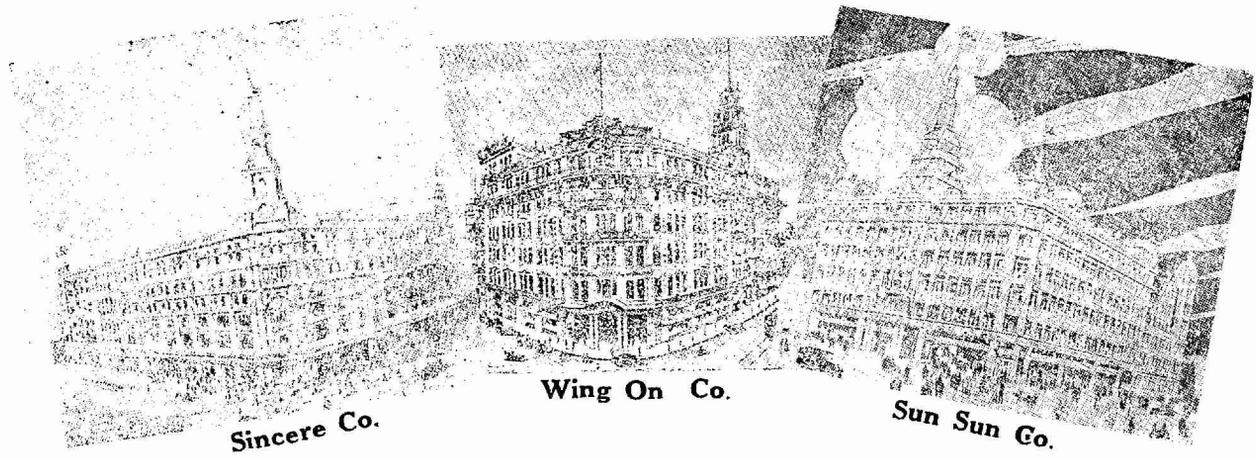
Canton Finance

The authorities are planning to strengthen and improve the financial position of the Central Bank so as to render it perfectly sound and stable and in a position to withstand any unforeseen circumstances. Although the bank to-day is in a thoroughly sound condition financially, it is only prudent to build up its reserves and strengthen the institution in all ways so that it will be able to stand firmly in periods of depression. It will be remembered that just over a year ago the bank was sacked and burnt when the Reds seized the city, The vaults, however, withstood all efforts to get at their contents and but little loss was sustained. Although the actual loss was small, public confidence was severely shaken and despite many assurances that the bank was financially sound, the public became increasingly unwilling to accept its notes until a time came when these notes became a drug on the market, fetching some thirty per cent. of their face value only. The government took steps to remedy this state of affairs and now the notes are circulating at full face value. The reserve funds of the bank are now said to be more than $10,000,000 Canton currency (one Canton dollar equals five 20-cent silver pieces or 170 copper cents) while occasionally one is required to pay a premium varying from 3 to 5 per cent, when buying notes at money-changers.

Rounding up Communists

Although banditry in this province has been fairly well suppressed, communism seems to be still rampant with the Reds always eager for an opportunity to sally forth. Nor do they operate in out-of-the-way districts alone for in the cities they not infrequently give a good deal of trouble to the authorities. From time to time plots are unearthed and communist agitators executed but all this does not seen to dampen the ardor of the Reds. Recently the authorities got wind of a plot being prepared at Kongmoon for a grand Communist uprising there in the lunar new year, and one of the new Canton gunboats was dispatched to Kongmoon with a force of Canton detectives who co-operated with the Kongmoon police in nipping the plot in time. A number of Red agitators were rounded up and brought to Canton for trial, all facing the death penalty after a hearing lasting several hours.

Canton, February 9, 1929



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A Japanese View of the Killing of Yang Yu-ting

(Translation from the Japan Chronicle for Feb. 9)

IN the noise that is being made in the Diet and elsewhere about the murder of Chang Tso-lin, transparently disguised as "a certain grave affair," is being speedily drowned what little attention was aroused by the murder of his henchman Yang Yu-ting. By the Press reports the Japanese have been given the impression that Yang was killed for pro-Japanese proclivities, but a somewhat different note is sounded by Komura Toshisaburo, an authority on Chinese affairs, in his article in the *Chuo Koron* ("Central Review,") in which he cautiously discusses the possible effects of the affair and is prophetic of the fate of the young ruler of Manchuria.

It was on the day of my arrival back in Osaka from my journey extending from Shanghai and Nanking to Shantung towards the end of last year, says Mr. Komura, that I heard the news of the tragic end of Yang Yu-ting; and it was on the evening of the following day when I returned to Tokyo that I was requested to write my impressions of the affair. So these lines are necessarily based on the newspaper cable and nothing else. I share doubts with the readers in general and am not in a position to solve them. My first doubt, which must also be most readers', naturally turns upon the direct cause of the tragedy. According to the Press cable, Yang met with his fate because he had impeded the unification of North and South over the question of the flag and railway cars. As a matter of fact, however, Yang Yu-ting had urged Chang Hsueh-liang to bring about a union between North and South even if it was necessary to fight against his father for the purpose, since about the time when the latter was signally defeated in Honan by the Southern troops. He had been the prime mover in the agitations for a compromise between Mukden and the Kuomintang after the violent death of Chang Tso-lin. Nobody knows these circumstances better than the Southern Government. Nominally it was the Tanaka Ministry's foreign policy that was the first force to impede these agitations for compromise. In reality, however, the local desire was shared even by new militarists such as Chang Hsueh-liang and Yang Yu-ting that even if the three Eastern Provinces were to be united with the Nationalist Government under the so-called three Principles of Nationalism and Democracy, these principles should be acted on in the three Eastern Provinces after the Three Eastern Provinces' fashion. The warning notice given by the Japanese Government was only taken advantage of as a pretext for delaying the hoisting of the Southern flag.

Murder as an Apology

It was therefore quite unreasonable to regard Yang Yu-ting as the party solely responsible for obstructing the adoption of the Nationalist flag. On the contrary, the Southern Government was fully aware of the difficult position in which Mukden was placed by the Japanese warnings and the Three Eastern Provinces' desire to carry out the Three Principles after their own fashion, and it was willing enough to leave the Manchurian problem for a later decision, so there was no reason why Yang Yu-ting should be done to death by way of an apology to the Southern Government. For another cause for the murder it is alleged that Yang had made the arsenal his own and was pushing on some underhand plans. But these and other allegations about Yang's plots are hardly trustworthy despite all the proofs adduced in support thereof, since China is a country in which it is so easy to manufacture such proofs on occasion. The real reason for the murder of Yang Yu-ting by Chang Hsueh liang must then be sought in the construction generally put on the event, namely, the rivalry for power between the two leaders.

Reactionaries in the Ascendency

But there is a great deal of doubt as to the cause of their rivalry also. They were both not merely the trusted lieutenants of Chang Tso lin when he was alive, but the leaders of the soldiers of the new school. They were inseparables conjointly arranging plans of campaign in the headquarters and carrying them into execution together in the field against the military groups of the old school, instead of being merely companions at games of mahjong. Nor did the death of Chang Tso-lin make any change in the intimate relations of the two men. The younger man was too young to bear the heavy civil and military responsibility devolving upon him as the Commander-in-Chief of the Three Eastern Provinces, in which post he was placed through the influence of his late father, without relying on the counsels and support of the older man, while Yang had many enemies as a leader of the new school soldiers and could not hope to maintain his position or extend his influence without having Chang for his chief and associate. So until lately the relations of the two men were those of a young lord newly come to his own and a trusted old vassal. Chang was safe and secure in his headquarters and had no reason to be worried about the great show of prosperity presented by Yang, the leading agitator for a compromise between North and South whose office was constantly filled with crowds of callers and clients. Why did this man come to be suspected of treason and done to death so suddenly and unceremoniously? It is indeed possible that Chang conceived enmity against Yang because of the great, latent influence exercised by the latter, or that Yang thought that he might take advantage of Chang's youth to satisfy his own ambition.

Sun Chuan-fang as First Murderer

It should not be lost sight of, however, that the direct motive that decided Chang Hsueh-liang to be beforehand with his rival in resorting to extreme action, was furnished by Sun Chuan-fang and his faction, whereas an indirect incentive was afforded by a certain exterior influence. The fact that Sun Chuan-fang practically played the role of a butcher in place of Chang is established by the Mukden cable according to which at the time when the murder had just been committed Chang Hsueh-liang was so excited that he was almost unconscious and that it was Sun who saw the Japanese military advisers and published something like an official statement of the affair, always on Chang's behalf, on the same day. But what was most strange in this connection was that Sun whose movements had not been very well known since his defeat together with Chang Tsung-chang in Shantung should now have suddenly emerged from obscurity and boldly leapt on to the stage in order to perpetrate the murder of Yang on Chang's behalf. It is a still unsolved mystery in what relations Sun Chuan-fang, Chang Tsung-chang and Wu Kuang-hsin of the Anfu party really stand. It is understood, however, that when Yang Yu-ting was in Luanchou immediately after the death of Chang Tso-lin, and it was proposed that a scoundrel like Yang should be done away with at the same time, it being Chang Tsung-chang who was to have undertaken the execution. The plot, however was discovered by Chang Hsueh-liang soon enough to enable Yang Yu-ting to escape, but, as it turned out, only to fall at the hands of Sun Chuan-fang shortly after. Anyhow they are a dangerous lot and it is a noteworthy point that in Mukden these reactionaries now threaten to extend their influence with the young and weak Chang Hsueh-liang for the figure-head. This is a change which must be exceedingly troublesome to the South. Nor is it a state of affairs at all desirable for Japan. One must be prepared for the fact that the natural political evolution will be stopped in the Three Eastern Provinces for a time and that Japan and China must continue in complicated relations more useless and harmful than ever.

A Certain Exterior Influence

So far we have dealt with what appears to us the direct cause arising within the three Eastern Provinces. As for the indirect cause originating outside those provinces, to which reference has already been made, rumors had been continuously arriving from Mukden during the last two or three months to the effect that a certain exterior influence had been divided into two camps, one taking sides with Chang Hsueh-liang and the other with Yang Yu-ting and that while the relations between the two friends remained much the same as before, the struggle between the rival groups of partisans grew so intense that they even came to abuse and calumniate each other in the presence of third persons. At first Chang and Yang hardly paid any attention to what was going on and were inclined to regard it in the light of uncalled-for interference on the part of outsiders, but agitations for one against the other grew so much that they began to fear not only for their power and position but even for their lives—fears which were not slow to be followed by mutual suspicion and caution against each other and ultimately by a dangerous desire on the part of one to anticipate the attack of the other by making the first move himself. It may not be too forced an interpretation of the affair to conclude that it was the black-hooded set of adventures (Mr. Komura is not explicit about the nationality of these adventurers) of the Sun Chuan-fang group who volunteered to act as butchers in order to do a service to one of the rivals and advance their own interests by taking advantage of all the delicate situation and relations among the leaders in Manchuria. In this way there is a great deal of doubt about the connection between the direct and indirect causes of the affair. But if the view just sketched is not forced, then it may be said that it was the external influence that pushed those black-hooded adventurers on to the stage and caused the situation in Manchuria to be disturbed by the reactionaries already mentioned.

Effects on the South

It is also doubtful how this *coup d'etat*, and the new situation brought about by it, are regarded by the Southerners. According to the newspaper reports they are at heart not very sorry about the death of Yang Yu-ting, though they are on the whole apparently sympathetic for him. Nor is it unnatural that they should be elated at the idea that when Chang Tso-lin

(Continued on page 538)

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47-647

Kwangsi Government's Interest in Agriculture

BY HIN WONG

More than 35,000,000 *mow* of plains and 165,000,000 *mow* of plateaus in the Province of Kwangsi, South China, are still waste or barren but not uncultivatable, according to a recent report before the Conference of Reconstruction at Liuchow held early January of 1929; and how to make use of these lands, mostly in the North-west, has become an interesting and difficult problem for the Government and the people.

Among the reasons why these lands have never been seriously attended to may be the lack of easy means of communication, the desire of the early inhabitants to only found their homes where there is water, and the dispute over the ownership of the vast territory.

Now this problem may be considered a little. The Province has completed several thousand *li* of public highway, and nearly 3,500 *li* have been opened to traffic, and bus-lines are running on all of them daily. People these days will not have to depend solely on river transportation for the shipment of their farm products to the cities to find a market; and since the cessation of the internecine war, the civil officials of the Province have been able to clear many districts of bandits and make survey of the once no man's land.

The Kwangsi Government, through the Bureau of Reconstruction, have established a number of forest reserves and reclamation stations in order to make better use of the now treeless plains and encourage persons to settle further from their present village and towns, and to have more attention given to this subject, the Government of Kwangsi have decided beginning the first of February to inaugurate a department of agriculture, the powers and functions of which include the control and development of all uncultivated public lands, aside from the general direction and promotion of agriculture throughout the Province.

University Trained Men

To assist in the solution of the problem, many former teachers and students of the College of Agriculture of Kwangtung, also known as Sun Yat Sen University, in Canton, have been recruited into the Kwangsi Government service, and lately additional experts from the Nanking and other universities have been called; and today all the heads and principal assistants of the Kwangsi Department of Agriculture are either American, European, or Japanese university trained men who have had previous experience in Kwangtung and other provinces of China.

The headquarters of the new Kwangsi Department of Agriculture will be at the experiment station of the Institute for Industrial Development at Liuchow, which is to be embodied into the Department. The Institute, under the direction of Tang Tsic-yee, a former dean of the College of Agriculture of Kwangtung, has built up model cattle ranges, chicken farms, and fields for various forms of cereal and other products, besides well-equipped laboratories for mining and industrial chemistry and other tests and experiments. A small mill for cane sugar was put up by Mr. Tang recently.

In addition to the important work of agricultural research and the introduction of modern methods and, if possible, modern farm implements and machinery into Kwangsi, the Department of Agriculture, the successor to the Institute for Industrial Developments, will also try to ameliorate the conditions of the farmers by having better village organizations and government, helping them to increase their yearly output by valuable advice or better marketing methods, reforming their habits and leading them to happier livelihood through the introduction of social and school education.

Irrigation Is Studied

The Department, following the policy of the Institute, will continue to study and improve the soil of the Province, continue the study of the irrigation question, make efforts to extend the present output of agricultural products and encourage the planting of articles likely to command a foreign market even when home consumption is limited, despatch veterinary surgeons to affected districts to prevent cattle disease, devise means to suppress destructive insects, often causing calamity to the crops in many places, improve the farm implements now being used by the farmers, help them with better methods in the several home industries favored by the abundance of raw materials, and insure to the farmers the constant supply of fertilizers and their better use according to modern understandings and methods.

The several forest reserves and stations recently founded will be improved and enlarged and the afforestation in progress will be greatly supported. The Government have found that the people have not made the best use of their forest products, and the Department will lend a hand to make better use of them.

It is not the present policy of the Government to develop the waste lands for their own benefit, but it will be left to the people to reclaim them for settlement and cultivation with government support and encouragement. Only under exceptional circumstances will the Government undertake the farming of the now uncultivated lands.

To assist the people in forestry and agriculture, the Government will open more schools and training classes, aside from the effort of the College of Agriculture of the Kwangsi University at Wuchow, an institution aiming to give higher education to the citizens of the Province.

Offices at Liuchow

The Department of Agriculture of Kwangsi will be a very large and extensive organization with offices at Liuchow, a city aiming to be the capital of the Province and maintain itself as a gateway in this part of China to the provinces of Kweichow, Yunnan, Hunan, and Kwangtung.

It is to be a part of the Bureau of Reconstruction of the Province, assuming complete control and exercising full power over the agricultural lands and interests according to law, aside from undertaking experimental work in agriculture and forestry. It has the responsibility of supervision, direction, protection, and improvement over the agricultural affairs of the Province and the uncultivated lands and territory; and it has the duty of recommending bills to the Government for enactment as laws or orders regarding matters forest or agricultural. The study of agriculture and forestry abroad and the direction of agricultural administration in the districts are also within the power of the Department; and if it sees fit, it will direct the education of persons interested in farming and allied subjects.

For the time being, General Wu Ting-yang, Commissioner of Reconstruction of Kwangsi, will be concurrently Director of the Department, with Mr. Tang Tsic-yee and Mr. Chau Ping-wen as Associate Directors. Under the directors will be established an executive office to undertake general administrative affairs and divisions for agronomy, forestry, animal husbandry, agricultural chemistry, sericulture, agricultural economics, bacteriology, horticulure, agricultural art and industry, and agricultural extension. Each of these divisions will be in charge of a chief and a corps of assistants.

The activities of the Department will not be limited to Liuchow but cover all experiment stations throughout the Province of Kwangsi.

Kiuchow, January 28, 1929.

A JAPANESE VIEW OF THE KILLING OF YANG YU-TING

(*Continued from page 536*)

is dead and Yang Yu-ting is no more, Chang Hsueh-liang's turn must come sooner or later and that with him will go the military cliques in Mukden with their old and new leaders by the natural process of political disintegration, so that they will soon have only the people and rising generation of the Three Eastren Provinces to deal with in arranging a full unification of Manchuria with the rest of China. But the Southerners should know that before the weak master Chang Hsueh-liang falls and Chang Tso-hsiang, the leader of the old school militarists who knows nothing of politics, goes to be followed by the age of the rising generation and people, there will intervene a period during which men like Sun Chuan-fang, Chang Tsung-chang, Wu Kuang-hsin and those militarists and politicians of the Anfu party, the Chihli party and the old Progressionist Party who have no room in the Kuomintang camp, will freely make use of the two Changs and obstruct the compromise between Mukden and Nanking and the unification of the country. In this view the South really has no reason to be delighted at the tragic end of Yang Yu-ting. On the contrary it would have been far better for the South if Yang, a leader of the new school officers, who, despite all his crimes in the past, was capable of holding the intrigues and plots of Sun Chuang-fang and his set, had been allowed to live and assist Chang Hsueh-liang in bringing about a gradual unification between Mukden and the Kuomintang.

Effects on Japan

As for the effects of the tragic death of Yang on Japan, this is an important question, but one which we do not like to discuss at length. It is not hard for the wise to foresee that after the mysterious death of Chang Tso-lin and the murder of Yang Yu-ting it will be Chang Hsueh-liang's turn next. Will the continued disturbance of Manchuria by the reactionary influence while all this is going on be advantageous and desirable for Japan? Will it be wise or foolish to hurry up in this way accomplishment of the inevitable fate of coming face to face to the rising generation and people of the Three Eastern Provinces which must be realized when that intervening period of trouble is over? We do not know whether the Government authorities and military clique in this country possess sufficient intelligence to discern these matters, so we do not dare put questions to them.

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Wives of American Citizens of Oriental Race

The Committe on Immigration and Naturalization of the House of Representatives met at Washington, D C., February 7 to hear statements in connection with the proposed bill which has been introduced by the Hon. L. C. Dyer of St Louis, Mo. to permit the admission as non-quota immigrants of certain alien wives and children of United States citizens. Mr. Dyer explained that the only purpose of the bill was to enable an American-born Chinese to bring his alien wife to the United States from China.

Among the statements heard was that of Y. C. Hong, president of the Los Angeles Chapter of the Native Sons of the Golden State, Chinese-American Citizens Alliance, of Los Angeles It was explained during the course of Mr Hong's evidence that a decision by Justice McReynolds in 1924 was that the immigration law prohibited aliens ineligible to citizenship from coming to the United States and that even marriage with American-born Chinese did not admit them The explanation as to why many more Japanese women had come to the United States than Chinese women up to that time was that there had been a tacit undertanding whereby Japanese brought over what were known as "picture brides" Mr. Hong explained that the preponderance of males was among other things due to the fact that when Chinese brought over their wives and families they did not bring along daughters—who either remained in China, or if they ever came to America usually went back to China again to get married and stayed in China. Twenty years ago, he said, there were 12-000 Chinese in Los Angeles, and to-day there are only between 4,000 and 5,000; the older ones had either died or gone back to China, and younger ones had been forbidden to come. He also mentioned that in California Chinese were forbidden by law to marry women of other races. Mr Hong stated that this bill ought to be passed if for no other reason than to give Chinese an opportunity to marry women of their own race and thus the incentive to marry women of other races would be largely removed.

Evidence by Kenneth F Fung was to the effect that three types of hardship were suffered by American citizens of Chinese descent First were those who had wives in China (whom they could not bring in), next those who desired to get married but couldn't because of the scarcity of Chinese women and therefore forced to a life of celibacy, and next those who had brought over their wives temporarily, and they were liable to be deported unless Congress passed new legislation

Ministry of Finance Takes Up Contract With American Trading Co., Inc.

According to J W Smith, agent in Shanghai for the American Trading Co, Inc., the Ministry of Finance of the National Government has taken up the contract entered into with that company by the former Peiping government, for the purchase and installation of machinery and equipment for the "Central Mint" of Shanghai It is understood that the Ministry has paid approximately $1,400,000 to the American company and that the machinery, which has lain idle here since 1922, is now being assembled in the mint.

As recently reported in the *Review* (January 19), the mint is now rapidly nearing completion Clifford Hewitt, an official of the U. S Treasury Department, and an expert on the construction and operation of mints, who made the original plans for the Shanghai "money factory," returned here last December to supervise the final stages of construction and to assist in the inauguration of a standard monetary system in China.

The Shanghai mint is an old project; it has suffered much from the kaleidoscopic political changes which have afflicted the country. It was begun in 1921 when a group of 23 Chinese bankers of this city made a loan to the Ministry of Finance of the Peiping government, which undertook to establish it. But the fall of that government, coupled with inefficient handling of the funds, left the plant still unfinished in 1923. The machinery sold by the American Trading Company and the Wah Chang Trading Corporation until recently has been untouched, and the buildings beside Soochow Creek have been unoccupied. Since Mr. Hewitt's arrival, however, and with the appointment as Director of Kwok Bew, managing director of the Wing On Department Store, work has been progressing and it is expected that the mint will be in operation shortly. It will cost approximately $4,000,000, including land, buildings and machinery, will have a capacity of a half million coins per day and, it is said, will be the largest single unit mint in the world.

National Construction Committee Signs Agreement with Radio Corporation

As the result of an agreement recently signed between the ational Construction Commission and the Radio Corporation of the Philippines all radio messages from Shanghai for transmission abroad will reach their destination through the Manila station of the Radio Corporation of the Philippines The China end of the business will be handled by the Chinese Government Radio Administration with headquarters in the Sassoon "House," corner of the Bund and Nanking road. Bs this new arrangement the radio station in Frenchtown (Statioy Francaise Radio Telegraphique of Koukazn) will sever itn connection with the Radio Corporation of the Philippines George F Schecklen, Shanghai representative of the R C P stated in a recent interview with reference to the French station that at the time it was established it was understood that when such an organization as the National Reconstruction Commission came into being it was to be discontinued.

The present agreement between the National Construction Commission and the R. C. P. provides that messages shall go from Shanghai *via* Manila to Berlin and other points in Europe and from Shanghai *via* Manila to San Francisco and other points in both North and South America Services to Indo-China and the Dutch East Indies also will be maintained

American Carpet Co. in North China Has Labor Troubles

The troubles which the Breslin-Griffit Carpet Co of Tientsin, constructed and equipped with American capital, is having with radical labor elements, assumed sufficient importance in the eyes of the *New York Times* to warrant it publishing special correspondence from Peiping in its issue of January 15 to the extent of almost half a column. The account as printed states that the factory was closed for more than six weeks, and, then when it reopened, the local headquarters of the Kuomintang Party made a formal demand that the ringleaders of the agitators be reinstated, and that on every payday the management should deduct 20 cents from the pay of every workman and hand the lump sum over to the Kuomintang Erection of a special reception room where the workers could receive their friends and where tea and food should be served free to all comers at all hours was another demand. At the time of writing no agreement had been reached, and there were rumors that the union proposed to confiscate the plant and run it as it saw fit.

General Feng Says Chinese Women Are too Vain

General Feng Yu-hsiang recently delivered the principal speech at the opening ceremony of the Institute for Women at Kaifeng In the course of his remarks (as reported by the *Ta Chung* news agency) he said it was unfortunate for China, that its women seem interested only in their personal appearance. They are, he said, more concerned about face powder, cold cream, perfumery, bracelets, etc than anything else In order to beautify their ears, they would not even stop at piercing a hole through them just for the purpose of hanging ear-rings However General Feng smoothed over matters a little by adding that though he regretted having to point out the weaknesses of Chinese women, yet their desire to learn inspired his confidence and in fact, he was looking forward to the day when Chinese ladies will surpass the achievements of their Western sisters

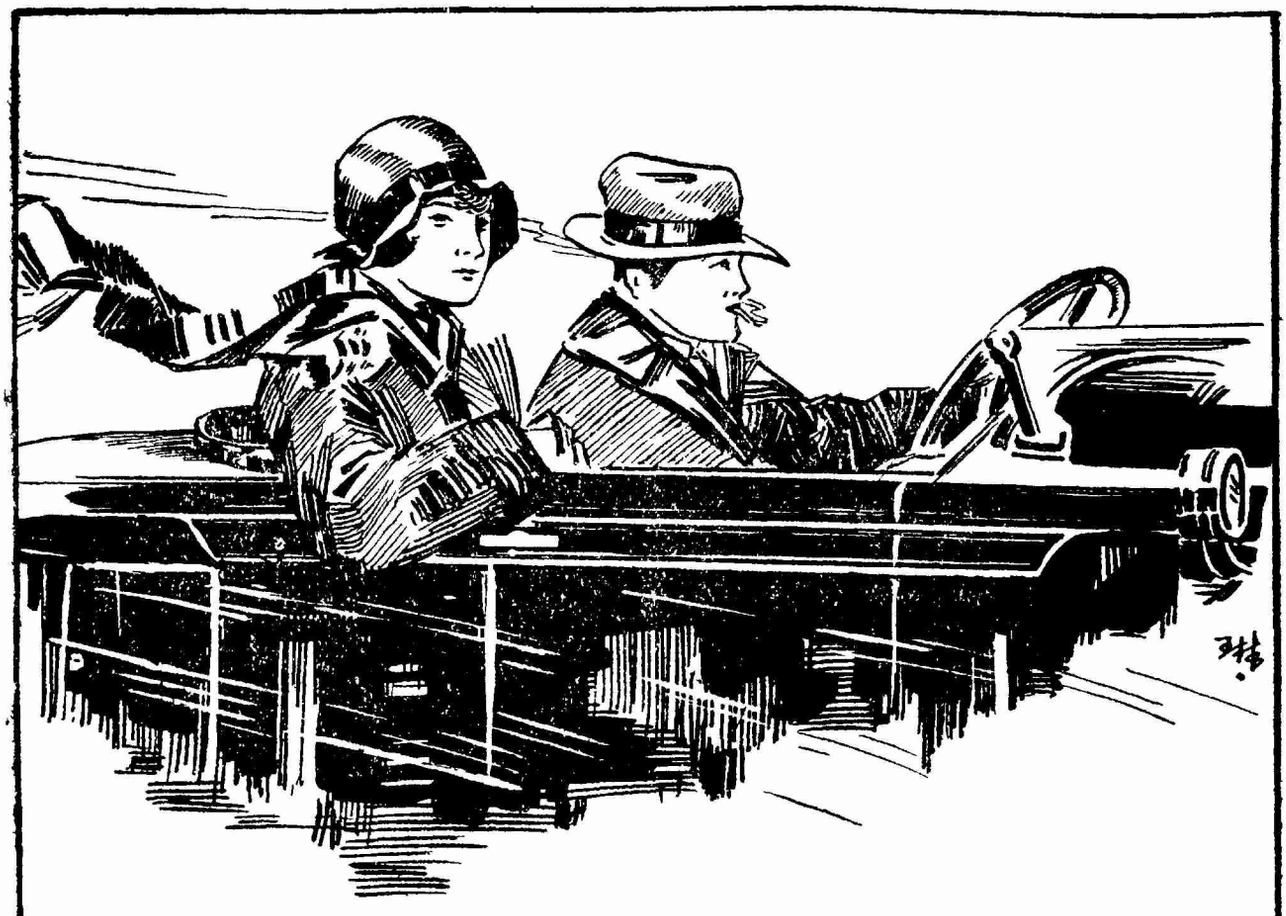
United States Creates Board of Tea Experts

John J. McNamara, a New York tea broker, has been appointed a member of the United States Board of Tea Experts which will define the standards of teas to be imported into the United States

Mr. McNamara's appointment was announced on Jan. 17 by the Secretary of Agricultre.

The other members of the new board are Harry L Jones of Boston, Arthur T, Hellyer of Chicago, A. P. Irwin of Philadelphia, Edward Bransten of San Francisco, John N. Shaw of Seattle and George F. Mitchell, supervising tea examiner of the Food, Drug and Insecticide Administration, United States Department of Agriculture.

The board met at the United States Appraiser's Stores in New York on Feb. 11, at which time the standards to go into effect on May 1 were determined.



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Men and Events

The sixteenth U S. National Foreign Trade Council will meet at Baltimore, Maryland, April 17, 18 and 19.

George Fitch, secretary of the Foreign Y M C A. is ill at the Country Hospital suffering from a severe cold.

Thomas Burns, of the U S S. *Helena*, stationed at Hankow, accused of poisoning a Cantonese girl, Wang Ah-sen, has been acquitted by a U. S. Naval Board of Enquiry.

Rev. G. W Sheppard gave a lecture on "Chinese Translations of the Christian Scriptures prior to Morrison" at the Royal Asiatic Library, Shanghai, February 21

Granville Woodard, assistant U. S. Trade Commissioner at Shanghai, has been promoted to Trade Commissioner, according to word received from Washington this week.

Mrs. Margaret Runyan Hylbert, wife of Dr. L. C Hylbert, secretary of the American Baptist Foreign Missionary Society of Shanghai, is seriously ill at the Shanghai Sanitarium on Hungjao Road.

Sir Frederick Whyte is to receive an appointment as Advisor to the National Government, according to the *Kuo Min* news agency. Mr Whyte will be the first Britisher to be appointed by the present government.

Norman R New, businessman from Chicago, accompanied by Mrs. New and their daughter, are in Shanghai on a trip around the world. Mr. New is a cousin of Harry S. New, Postmaster General of the United States.

An American organization, the Grand Theater Corporation, has purchased the Carlton Property at the corner of Bubbling Well road and Park road, Shanghai. A twelve-story apartment house is to be built on the site.

The Ministry of Foreign Affairs announces the appointment of Hsu Mo, Chief of the European and American Affairs Department of the Ministry, to the post of Commissioner of Foreign Affairs for Kiangsu, in succession to King Wen-sze, who has been appointed Minister to Holland.

Dr Hawkling Yen, well-known educator and diplomat, who recently was appointed Associate General Secretary of the Institute of Pacific Relations, was entertained Monday evening February 18, at a dinner at the Institute in Shanghai.

Warren H. McBryde, consulting engineer of San Francisco is in Shanghai on a trip around the world, during which he is making an inspection of port harbor facilities Mr McBryde is connected with the Port and Harbor authorities at San Francisco.

The China and Japan Trading Co, Ltd has been taken over by a new company, Walker, Turner & Co, Ltd of Manchester and Shanghai. Harold Holgate has been elected a director of the new company and has been appointed manager at Shanghai.

Washington's Birthday (February 22) was celebrated this year by the American community in Shanghai, as it has been for many years, by the holding of a ball. The ball this year was held in the Majestic Hotel in Bubbling Well road, as it has been on many previous occasions

Claude C. Foulk, for several years connected with the Chinese-American Bank of Commerce in Shanghai and Peiping who returned to America several months ago with Mrs. Foulk and their daughter, is now connected with the Bankers Trust Campany, 16 Wall Street, New York City.

Judge and Mrs. M. D. Purdy returned to Shanghai February 21 by the s.s *President Madison*, after an extended visit to Manila and other points south. On the same steamer Governor General Stimson of the Philippine Islands is proceeding to the United States to take up the post of Secretary of State

Dr. L. N Chang, formerly Director of the Ex-British Concession at Hankow, but now connected with the Ministry of Industry, Commerce and Labor of the National Government, has arrived in Shanghai from Nanking. Dr. Chang has charge of the Department of Laws and Regulations of the Ministry.

The death occurred in Shanghai during the week of Vyvyan Dent, at the age of 66, following a fall from an omnibus Mr. Dent was for many years in the Chinese Customs service. He was born in Shanghai and had a great resemblance to "Buffalo Bill," a fact in which he took much pride.

The *North China Star*, which has been refused transmission by the Chinese post office, has issued a pamphlet giving editorials from the *Peking & Tientsin Times*, the *North China Standard*, the *Peking Leader*, and its own columns, under the caption, "Editors in North China Unite as Champions of Liberty of the Press."

Edgar M. Wilson of the Dollar Steamship Company has arrived in Shanghai from Manila and will be located here for some time Mr Wilson is connected with the radio department of the Dollar Company which recently received a franchise from the Philippine Government He is accompanied by Mrs. Wilson and they are living at the Majestic Hotel

Acting upon a recommendation of Wang Peh-chun, Minister of Communications, the State Council at Nanking has appointed Alfred Sao-ke Sze, Minister to the Court of St. James, as China's special delegate, and Liu Shu-fan, Director-General of Posts, as plenipotentiary delegate to the International Postal Conference, to be convened next May in London.

Capt Wood, formerly chief of the detective department of the city of Berkeley, Cal, has arrived in Nanking where he will serve as an adviser to the National Government in the development and modernization of city police departments, Capt Wood has served for several years under August Vollmer, Chief-of-police of Berkeley, Cal, who also holds the chair of criminology in the University of California

M. Avenol was entertained at a number of functions in Shanghai during the past week. M. Avenol, together with M. de la Brosee, governor of Siam, were the guests of the Chinese Chamber of Commerce in the Chamber's building, when S. S Fung, chairman, delivered the address On February 18 Dr C. T. Wang, Minister of Foreign Affairs, introduced M. Avenol, to the members of the Pan-Pacific Association. In a speech of acknowledgment M. Avenol stressed the value of the work of the League of Nations. At a reception given to M. Avenol by theNational Anti-Opium Association the principal address was made by R. Y. Lo The Anti-Opium Association presented to M. Avenol a statement on the present narcotic situation in China and urged the need for immediate and effective international cooperation

Work on Southern Section of Canton-Hankow Railway to Begin Shortly

The Ministry of Railways at Nanking announces that work on the Shiuchow-Tungchang (in northern Kuangtung) section, measuring 30 miles, of the unfinished section of the Canton-Hankow Railway is be started immediately It is expected that the work in this section will be completed within a year. Survey of the Chuchow Hsingtzuling (in southern Hunan) section, approximately 190 miles in length, is nearing completion and the laying of road-beds is likewise being commenced immediately The remaining section from Hsingtzuling to Tungchang, about 50 miles will be constructed last. This section passes through a mountainous region, and the construction in this neighborhood exhibits many difficulties.

Ministers Appointed by C. P. C.

The Central Political Council at Nanking has confirmed the following appointments Quo Tai-chi, former Vice Minister of Foreign Affairs, Minister to Italy, Foo Ping-hsiang, Minister to Belgium, Wensze Kung, Commissioner of Foreign Affairs at Shanghai, Minister to Holland, Chu Chang-nien, Minister to Norway and Sweden, and Tai En-sai Minister to Brazil.

KING GEORGE V OF ENGLAND

In a recent editorial reference was made to the happy position which King George V of England, and his wife Queen Mary, hold in the hearts and affections of their millions of subjects.

It is now many years since the late Queen Victoria pointed out that the secret of England's greatness was the Bible, and it is equally true that this same Book is probably the chief cause for the esteem in which their Majesties are held today.

It is well known that Queen Mary was converted to Christ many years ago through the booklet "Safety, Certainty, and Enjoyment." More than seven millions of this little book have been issued in recent years, and it is of interest that both an English, and Chinese edition have lately been published in Shanghai. It is available in most languages, and a copy will be mailed to anyone who will send a five cent stamp to the Christian Book Room, 3 Quinsan Gardens, Shanghai. (*Adv*)

Who's Who in China

Ju Peon
徐悲鴻
(Hsu Pei-hung)

Mr. Ju Peon was born in Ihing, Kiangsu, in 1894. In 1918 Mr Ju was sent to Europe by the Ministry of Education for further studies in fine arts. He made brilliant progress in studies with Mr Flameng at the National School of Fine Arts of Paris (L'Ecole Nationale des Beaux-Arts de Paris) from 1919 to 1923. During this time Mr Ju exhibited several of his own works at the Saloon of French Artists (Salon des Artists Francais) and also at the Societe Nationale des Beaux-arts After having travelled extensively in Europe to continue his studies in the fine arts, Mr. Ju returned to China in 1927. He at present holds the position of director of the National Academy of Fine Arts in Peiping

Soviet Government Denies C. E. Railway Negotiations

Izvestia, the official organ of the Soviet Government, brands the rumor recently started by the Tokyo correspondent of the *London Daily Telegraph* that the Soviet Government was negotiating with Japan for the sale of the Chinese Eastern railway as a provocative lie. In this connection, *Izvestia* says "The Soviet Government now, as before, considers that the question about the Chinese Eastern Railway is to be solved only between the two interested parties, namely China and the U S S R. The Soviet Government has always waged and will wage a resolute fight against any attempt of any third power to come near to the C. E. Rwy."

American Automobile Manufacturer Wants Representative

The *Review* has received an inquiry from the Export Advertising Agency, an American merchandising organization, which asks for information concerning the possibilities of introducing a popular priced six and eight cylinder car in this market, requesting that any individual or firm interested in securing the Shanghai franchise for the sale of these cars communicate with them at the Transportation Building, Chicago, Ills., U. S. A.

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Through tickets are issued and passengers' baggage registered through between the important stations on the Peiping-Mukden Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peiping-Hankow Railway and with the Peiping-Suiyuan Railway, and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Tokyo, Feb 13—Lower Houses passes budget.

Peiping Feb. 13—Reported that Feng Yu-hsiang intends to resign and plans a tour abroad in order to recuperate.

Peiping, Feb 14—Ho Chi-kung, mayor of Peiping, with a view to securing return of Legation quarter proposes first to recover the street police power and next all the administrative powers.

Tokyo, Feb. 14—M. Shigemitsu, appointed Consul General at Shanghai, to succeed Mr. Yada, at present here, Mr. Yada is to return to Shanghai Feb. 24.

Nanking, Feb. 14—Anti-Japanese Society activities reach such a stage that Japanese Consul intends to protest to Ministry of Foreign Affairs.

Tokyo, Feb. 16.—Cabinet holds meeting to discuss Sino-Japanese negotiations.

Tientsin, Feb 16—Japanese Consul General files protest with Chinese authorities against continuation of surtaxes on exports

Hongkong, Feb 16—Gen Li Chi-sen gives orders that disbandment of surplus troops in Kwangtung and Kwangsi shall be completed by March 15.

Tokyo, Feb. 17—Japanese bankers to float Yen 35,000,000 bonds for South Manchuria railway.

Tientsin, Feb. 17.—Japanese Infantry Battalion carrying out night manoeuvers is fired on by Chinese police, Japanese sergeant being wounded Chinese reply to Japanese protest apologizing for incident and stating that police mistook Japanese infantrymen for robbers.

Peiping, Feb 18.—Armed robberies in this neighborhood increase following recent troop disbandments

Peiping, Feb. 19.—Chinese police in employ of Legation Quarter go on strike and garrisons now attend to policing. Political motives are suspected in the strike in view of the recent demand of the Chinese authorites for retrocession of the Quarter.

Russian "Whites" Trying to Get Consular Building

Reports in Russian monarchist papers in Shanghai declare that local "White" elements are attempting to get hold of the Soviet consular building here. A report in the Shanghai *Echo* last Monday (February 18), under the heading "The Building—To The Russian Colony," asserts further that the Nanking Government is now seriously considering this turning over of the Soviet Government building to these local elements. The report is as follows:

"Not long ago there appeared the information in the newspapers that one of the local Russian organizations was busying itself with the Nanking Government for the giving over into the hands of the local Russian colony of the building which previously belonged to the Russian Consulate in Shanghai According to advice received by us yesterday, these activities are actually being carried on and are achieving a certain success

'It is possible to hope that in the near future the Russian colony will acquire this most valuable building, in which it will be possible to house a whole series of useful charitable and social institutions."

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From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).

Thursday February 14.—Ministry of War plans to hold National Defense Conference in near future—Shanghai headquarters of Commander-in-chief of Navy to be reorganized into Naval Reorganization Office—Aeronautical Association at Tientsin plans air service to Shanghai.—Kuomintang delegates at Nanking pass a resolution that no formal diplomatic negotiations shall take place with Japan until Japanese troops are withdrawn from Shantung.—Miao Bin, provincial commissioner of civil affairs of Kiangsu province, formulates plans for making Kiangsu a model province.—Sun Fo, Minister of Railways, denies request of Cheng Ming-shu, Chairman of the Kwangtung Provincial Government, to place administration of railways in Kwangtung under the administration of the Kwangtung Provincial government.—Central Political Council rejects proposal of Wu-Han division to establish separate revenue office in Hupeh.—C. P. C. holds 175th meeting.

Friday, February 15.—Gen. Liu Wen-hui telegraphs from Chungking that satisfactory rehabilitation measures are being carried out in Szechuen province.—Estimated expense of the forthcoming Third National Congress of the Kuomintang at Nanking fixed at $299,958. Kuomintang Central headquarters sends delegate to Hopei province to inspect conditions—Gen. Li Chi-sen issued orders to various armies in Kwangtung and Kwangsi to disband surplus troops—Members of the executive and supervisory committees for the current year are elected by Kiangsu Provincial Party Convention.—C. E. C. fixes qualifications of young officers to be sent abroad for military training. Nanning and Yamchow in Kwangtung to be connected by a motor road—American missionary who had been held by bandits in southern Kiangsi released when Government forces rout them.

Saturday, February 16.—Wang Chen-nan to be appointed judge of new commercial court to be established for Hunan and Hupeh—Nanyang arsenal to be closed April 1 for reorganization—Chu Shao-yang is ordered to proceed from Finland to Angora preparatory to establishing a legation at the Turkish capital.—Chiang Tso-ping, Minister to Germany, appointed to negotiate treaty with Hungary.—Japanese at Hankow illegally detain and flog a Chinese.—Wang Chin, Vice-Minister of Railways, formally takes over administration of Peiping-Mukden railway at Peiping.—Department of Education formulates regulations to prevent 'mushroom" universities and bogus "diploma mills."—Ministry of Finance forbids imposition of extra levies on farm lands.—Kiangsu Provincial Party Convention demands that Wang Ching-wei shall take part in forthcoming Kuomintang Congress.—Chang Hsueh-liang recommends creation of plague prevention bureau with head office at Mukden—Kuomintang headquarters indignantly deny *Reuter* allegation that Dr C T. Wang is suspicious of Feng Yu-hsiang and is not so anxious to get the Japanese out of Shantung as he pretends to be.

Sunday and Monday, February 17 and 18—President and Mme Chiang Kai-shek visit Chang Ching-kiang at Hangchow.—Embargo on wireless material (which was really never enforced) is lifted by Chinese Customs.—Nanking government offers special inducements to Overseas Chinese who desire to return to China and engage in business or manufacture—Executive Yuan asks that regulations be drawn up covering recruiting of Chinese laborers for work abroad—Survey party to leave for Canton shortly to definitely fix the route for the proposed Nanking-Canton railway.—Tang Chun-min arrives at Nanking and petitions for early inauguration of Szechuen provincial government.—Wang Peh-chun, Minister of Communications, delivers an address over radio broadcasting station at Nanking on the Reconstruction of China's Communications—Chang Hsueh-liang calls military conference to be held at Shenyang Feb 20.—Czecho-Slovakian diplomatic representative in China informs Nanking that he has been instructed to negotiate new treaty with China—Test flight of new American airplanes which recently arrived at Hankow set for Feb. 20—Negotiations for retrocession of Belgian Concession at Tientsin in progress.—Legislative Yuan holds 13th meeting.

Tuesday February 19.—China is invited to International Air Transport Conference to be held in Poland next September.—Preparations for inauguration of Committee for Liquidation of Debts now in progress at Nanking under

(Continued on page 549)

"ACROSS SHANTUNG"

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THE KIAO-TSI RAILWAY

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TSINGTAO, CHINA.

An advertisement of the ChineseGovernment Railways.

No. 4

New Books of Interest in the Far East

"Memoirs and Addresses of Two Decades"

By J. A. L. Waddell, D E., L L D , Consulting Engineer; edited by Frank W. Skinner, Consulting Engineer; Publishers, Mack Printing Company, Easton, Pa., 1928. 1174 pages, G$5 00

This inspiring book may be termed "The Life and Work of an Engineer"; for although it treats more particularly with Dr. Waddell's activities as a Civil Engineer and Builder, still, the enthusiasm so often felt when reading the book, and the high principles and etiquette indicated and followed, have, I am sure, been experienced if not by all, at least by very many engineers and other professional men. It is, however, granted only to very few continuously to be able to carry on, as Dr. Waddell has done for so many years in widely separated parts of the world, and with such success.

The information given will be found of great value and assistance to earnest thinking men in their different walks of life, whether they be young students or experienced practitioners, and for this reason it is felt that Frank W. Skinner has done a great service to his fellowmen in collecting and editing "Memoirs and Addresses of Two Decades," not only because of their real practical value, but because of the systematic, beautifully clear and unselfish manner in which Dr. Waddell always attempts to record his work and findings for the benefit of others.

Whenever a man is in doubt as to how to act, what to do, and what to say, when confronted with the "Big Problems of Life," he will do well to follow Dr. Waddell without hesitation, and his life will be much improved and brightened thereby.

The book contains close to eighty splendidly written papers, all grouped under convenient headings. The Engineering Profession, Ethics of Engineering, Technical Education, Engineering Literature, Alloy Steels for Bridge Construction, Economics, Bridge Construction in General, Contracts, Railroad Subjects, Matters Chinese, and Miscellaneous Topics Many of the papers may appear rather technical, but the delightful and clear way in which Dr. Waddell expresses himself makes reading an unequivocal pleasure.

Chinese and Foreigners living and working in this great country will be particularly interested in Group 10 of the book, 'Matters Chinese," which papers have a direct bearing on the greatest engineering work of to-day—The Reconstruction of China—in which Dr. Waddell has been, and is, so deeply absorbed, as to leave his greatly prospering business in New York and come to China to offer help, in spite of his being seventy-five years of age.

From the earliest days of my stay in China I have often been told that the Chinese Engineers were more theoretical than practical, but I am sure that we will find a large percentage of theoretical men among the engineers of every nation, and I do not, after my twenty-five years of work in China, believe that Chinese engineers, properly educated, are more theoretical than we are in Europe, or America.

Dr. Waddell has several humorous anecdotes inserted in his book, and there is particularly one, relating to a theoretical engineer, which story the Doctor was told by an eminent American engineer on one of his trips to France

"An engineer residing in Paris was retained by the Mayor of a neighboring town to design and engineer the construction of a highway bridge One day there arrived at the engineer's office a messenger who said. "Please, Mr Engineer, the Mayor says he wants you to come quickly--the bridge has fallen down."

The engineer replied "That is simply absurd I made the calculations for that structure myself, and I know there is no mistake Get out of here." The next day there arrived another messenger who said, Mr Engineer, the Mayor says you really must come over. The bridge *did* fall down" The engineer replied, "I told that other chap yesterday to get out of here, and now I say to you the same thing. Since yesterday I have checked over all my calculations, and I find that they do not contain a single error. It is impossible that the bridge could fall down" The next day the Mayor himself came to the city, and upon going to the engineer's office, found that he had not arrived Consequently he went to his residence, and asked the servant if the engineer were at home The servant replied that he was ill in bed, and could not see anybody The Mayor pushed open the door, went upstairs, and entered the engineer's sleeping spartment, where he found him lying in bed looking very ill. Upon sight of the Mayor the engineer exclaimed, "Yes, yes, it is true, I see it all now, I took X instead of Y!!"

This volume, 'Memoirs and Addresses of Two Decades", will undoubtedly become one of the classical books of the engineering profession, treasured by all who read it, a lasting monument of inspiration to students and practicing engineers all over the world and incidentally a great satisfaction to Dr. Waddell in that his unselfish efforts have met with universal approval.

HANS BERENTS,
Consulting Civil Engineer.

Shanghai, February 16, 1929

The Ministry of Railways
Annouces the Opening of a
PURCHASING COMMISSION
at the
North Station, Shanghai-Nanking Railway
SHANGHAI
Quotations, and samples of railway goods, and inquiries, will be welcomed at this office.

47-656

When the Russian Communists Ruled at Hankow

H. Owen Chapman has written a book on "The Chinese Revolution 1926 27," being a record of the period under Russian Communist Control as seen from the then Nationalist Capital, Hankow The publishers are Constable & Co , London. The book is being sold at 12 shillings (postage 9 d.)

New Chinese Minister to Germany

The *Deutsche Allgemeine Zeitung*, (according to a *Trans-Ocean Kuomin* wireless message February 14, printed an interview with the new Chinese Minister to Berlin, Chiang Tso-ping, wherein the Minister expressed satisfaction at his appointment to a country with which China's relations were based on absolute equality. He said the task confronting China vastly exceeded those which the European countries had to face as these merely needed to reconstruct their pre-war economic and cultural basis whereas China was compelled to seek absolutely new ways and means. Therefore any criticism regarding China's slow progress was hasty and ill-considered Moreover, the Minister emphasized, China did not wish merely to copy Western methods but was eager to find a new synthesis of her own old culture and modern methods.

Radio Deadlock May Be Adjusted

The *Ta Chung* news agency on Feb 20 circulated a dispatch from Nanking stating that the deadlock over the control of radio which has existed for sometime between the National Reconstruction Commission and the Ministry of Communications, may be adjusted and the control of radio turned over to the Communications department. Wang Peh-chun, Minister of Communications, who resigned several days ago as a result of the dispute has agreed to resume office, according to the report, which stated that it is believed that Sun Fo and Tai Chi-tao who were appointed to mediate between the two interests had been successful.

Peiping-Mukden Railway Taken Over by Minister of Railways

Wang Ching, Vice-Minister of Railways, formally took over the administration of the Peiping-Mukden Railway February 5 on behalf of the Ministry of Railways In a statement to the *Kuo Min News* Agency correspondent, Vice-Minister Wang said that he should not be regarded as a new Managing-Director of the Railway, as it is the policy of the Ministry eventually to effect centralization of railway administration by instituting a new system of management.

Improved Equipment for Central Broadcasting Station

At a meeting of the Standing Committee of the Contral Executive Committee at Nanking February 8 a decision was reached that a more powerful transmitter should replace the one now being used at the Central Broadcasting Station. The present apparatus is considered much too weak and a new 10 kilowatt set costing approximately $400,000 will soon be installed.

ANCIENT GUILDS AND SOCIAL CHANGE

(*Continued from page 520*)

Leather Box Makers—*Pi Hsiang Hang* (Leather Box Guild).

The membership of this guild is confined to the manufacturers of a particularly strong and ornamental type of chest which is used in sending wedding presents, in storing silks, pottery, bronze, curios, or other valuables.

Masons—*Wa Izo* (*Lu Pan Sheng Hsi*) (Mat Tent Guild).

A more expensive type of temporary covering for weddings and funerals than the cloth tents made by the awning makers is the temporary structure made of wooden poles tied together with rope and covered with ordinary Chinese matting.

Painters—*Yu Hang* (Paint Guild)

This group includes both the ordinary house painters and those who do rough decorative work with oil paints.

Paper Hangers—*Ming Yi Piao Hu Hang Hui* (The Spirit World Clothes and Paper Pasters Guild Association).

The principal occupation of the members of this guild is similar to that of the ordinary paper hangers in the West. In addition, these workers manufacture the various effigies and other paper models used in connection with funerals.

Shoe Fasteners—*Feng Shang Hsueh Hsieh Hang or Shuang Hsien Hang* (Sewers of Boots and Shoes Guild or Double Thread Guild).

The work of these guildsmen is one of the processes in making Chinese shoes or boots. Members of another guild make the cloth soles of shoes; another guild is primarily responsible for assembling the different parts of the whole into the finished product, and still another, for repairing shoes. The members of this guild sew the top of the Chinese shoe to the sole and sew across the front of the shoe.

Silk Thread Makers—*Shu Hsien Hang* (Silk Thread Guild). Members of this guild may be seen working in the open spaces near the most south of the Manchu City in Peking. Two racks composed of two uprights and a long cross piece about six feet from the ground are built from forty to fifty yards apart. While one of the workers strings the silk thread from one rack to the other and back again, another pushes back and forth a substantial piece of wood which twists the fastening to which the thread is connected. Heavy silk thread or silk yarn is made in this manner.

Table and Chair Makers— *Cho Yi Hang* (Table Chair Guild., Originally makers only of Chinese-style furniture.

Tailors—*Cheng Yi Hang* (Make Clothing Guild).

The makers originally only of Chinese clothing but China —also of foreign-style clothing.

Tinkers (or Porcelain Menders)—*Chiao Lu Hang* (Clever Stove Guild.

The members of this organization are the traveling tinkers who carry along with them their implements, including a diamond-pointed gimlet made to revolve by the use of a twisted rope, and a little stove. These artisans, rightfully called "clever," mend articles made of porcelain brass, iron, and certain other metals, usually by the use of metal brads. They are perhaps best known for their skill in joining together securely broken pieces of china, by both gluing the pieces together and fastening them firmly by brads melted into tiny holes which they have bored in the porcelain.

Commercial Guilds

Clock Stores—*Chung Piao Hang Shang Hui* (The Clock Watch Commercial Guild Association).

Buyers, sellers and repairers of clocks and watches.

Cloth Stores—*Pu Hang Shang Hui* (Cloth Commercial Guild Association).

Dealers primarily in cotton cloth. Silk, however, may be found in most cloth stores.

Coal Stores—*Mei Pu Tung Yeh Kung Hui* (Coal Stores Like Occupation Public Society).

Buyers and sellers of hard or soft coal and makers of coal balls.

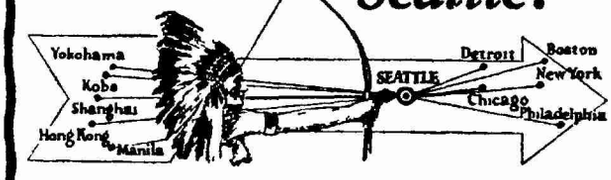
Confectionery Stores—*Po Po Hang* (Cake Guild).

Sellers of Chinese cakes and other forms of native confectionery.

Dye Stuff Stores—*Ching Shih Yen Liao Hang Hui* (Metropolitan Dye (or Color) Material Guild Association). The merchants sell both native and Chinese dye stuffs, paints and oils They also sell the old-style Chinese ink which comes in blocks or tablets.

(*Continued on page 549*)

Mr. Exporter: Are you enjoying these Shipping Advantages *via* Seattle?



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Pamphlet of 1928 Treaties

1928 saw the signature of new treaties bween China and twelve foreign powers. All of these provided for tariff autonomy for China and mutual most favored nation treatment on tariff matters. Five of them also outlined definite steps toward the abolition of extra-territoriality.

Taken together, these treaties mark the beginning of a new era in China's treaty relations. The documents thus are invaluable as records and for reference purposes.

The full official texts of these treaties will be issued in pamphlet form by *The Peking Leader*. These will be on sale at the following prices, which include postage:

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price Feb 21	Approx. Yield to Maturity %
The National City Bank of New York		New Stock		342	1 17
Argentine Government	6	Oct. 1,	1960	100¾	5 95
Australia	4½	May 1,	1956	87⅜	5 39
U. S. of Brazil	6½	Oct. 15,	1957	95¼	6 88
Kingdom of Belgium	7	Nov. 1,	1956	106	6 53
City of Budapest	6	June 1,	1962	81½	7 52
Canadian Pacific Railway	4	Perpetual Stk.		84¼	4.75
Chgo., Milw., St. Paul & Pacific Rwy	5	Jan. 1,	2000	77¾	6 45
ChicagoRapidTransit Co.	6	July 1,	1953	89	6.94
Chile Copper Co. Debs	5	Jan. 1,	1947	96	5.35
Chile Government (Railway)	6	Feb. 1,	1961	93½	6.50
Cuba Northern Railway	5½	June 1,	1942	88	6.88
Republic of Costa Rica	7½	Sep. 1,	1949	102½	7.26
Chile Government	6	Sep. 1,	1961	93¼	6 51
CubanDominicanSugarCo.	7⅞	Nov. 1,	1944	92	8 42
Kingdom of Denmark	6	Jan. 1,	1942	104¼	5 53
Dutch East Dadies	5½	Nov. 1,	1953	103	5 28
Republic of Finland	5½	Feb. 1,	1958	89¼	6 27
French Government	7	Dec. 1,	1949	108¼	6 29
German Government	7	Oct. 15,	1949	106¾	6 41
German Central Bank for Agriculture	6	Oct. 15,	1960	86	7 12
German Central Bank for Agriculture	6	Apr. 15,	1938	89	7.72
German General Electric Co.	6	May 1,	1948	92	6 68
Greek Government	6	Feb. 1,	1968	86	7 06
Ilseder Steel Corporation	7	Aug. 1,	1948	86⅝	7 30
Kingdom of Italy	7	Dec. 1,	1951	97¼	7 25
Japanese Government	6½	Feb. 1,	1954	101	6.42
State of Minas Geraes (Brazil)	6½	Mar. 1,	1958	94½	6 94
Mortgage Bank of Chile	6	Apr. 30,	1961	93¼	6.46
Norwegian Hydro-Elec.-Nitro. Corp	5½	Nov. 1,	1957	91½	6 13
Kingdom of Norway	6	Oct. 15,	1952	103½	5.73
Northern Ohio Power & Light Co.	6½	Jan. 1,	1941	98	6.75
Republic of Peru	6	Dec. 1,	1960	88	6 94
Paris, Lyons & Med Rwy.	6	Aug. 15,	1958	100½	5.96
Republic of Panama	5	May 15,	1963	93¼	5.47
State of Rio Grande Do Sul (Brazil)	6	June 1,	1968	88	6,89
Rhine Westphalia Elec Power Corp	6	Aug. 1,	1953	93¼	6 56
Saxon State Mortgage Inst.	6½	Dec. 1,	1946	93¼	7 17
Saxon Public Works,Inc.	6½	May 1,	1951	93¾	7 05
Tokyo Electric Light Co.	6	Jun. 15,	1953	90¾	6 79
United Kingdom of Gr. Britain	5½	Feb. 1,	1937	103½	4 96
City of Vienna	6	Nov. 1,	1952	88	7 04
Abitibi Power&PaperCo.	6	Cum. Pfd Stock.		85	7.06
BelgianNat'l Rwy.Pcptg Pfd. Stock	6	(American Shrs)		82½	7.27
Cannon Mills Co (Dividend $2 80 p a.)		Common Stock		45	——
General Mills, Inc.	6	Cum. Pfd. Stock.		98	6 12
General Mills, Inc (Div. $3 00 per annum)		Common Stock		86	——
Hershey Chocolate Corp Convertible	4	Pfd. Stock		82	4 88
Mohawk Carpet Mills, Inc (Div $2 50 p a)		Common Stock		72½	——
Pennsylvania-Dixie Cement Corp	7	Cum Pfd. Stock		90	7 78
Willys Overland Co	7	Cum Pfd Stock		100	7 00
General Motors Corp. (New)		Common Stock		79⅞	——
Andes Coper Mining Co.		Common Stock		60	——
United States Steel Corp.		Common Stock		173½	——
Standard Oil Co of New Jersey		Common Stock		48¾	——
Standard Oil Co. of New York		Common Stock		38½	——
Pennsylvania Railroad Company		Common Stock		78	——
United Aircraft & Transport Corp. (p v $50)	6	Pfd. Stock		78	3.85
United Aircraft & Transport Corp		Common Stock		89¼	——

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.

Shanghai Exchange for Week Ending Wednesday, 20th February, 1929

Exchange:—Throughout the fortnight under review business in foreign exchanges in our market was transacted on eight days only, owing to the incidence of the Chinese New Year holidays. No issue of this circular was made last week.

On the 9th instant the price of Bar Silver in London was quoted at 25 15/16d. for ready, and 26d. for forward delivery, since when, after various fluctuations, a decline has to be recorded of 1/16d. and 1/8d respectively, yesterday the price being fixed at 25 7/8d, for both deliveries

The local market has fallen in conformity with silver, the official selling rate for T/T on London being reduced on the 16th instant to 2/6 7/8d., the lowest level touched since October, 1927

Genuine business in regard to imports and exports is very quiet, a condition which is only to be expected at this season of the year Yesterday, speculators were inclined to sell, which had a steadying effect, and caused banks selling rates to become firmer.

Our market closes steady with the following rates available for telegraphic transfers, on London 2/6 3/8d, on New York 61 1/16, Yens 72 3/8, near delivery Export paper could be placed at 2/7 3/8d. and 63 1/2d. 4 m/s credits

Our stocks of silver are reported as follows:—

Sycee and Bar Silver .... Tls. 78,239,000 an increase of Tls. 5,285,000
Chinese and Mexican Dollars ..... $ 107,140,000 an increase of $ 960,000
Estimated value Tls 149 403,000 as against Tls 109 652 000 held at this time last year.

	Average rates for Jan.	Thur Feb. 7	Thur. Feb 8	Sat. Feb 9	Feb 11 to Feb. 14.	Fri Feb 15	Sat Feb 16	Sat Feb 16	Mon. Feb 18	Tues Feb 19	Wed. Feb 20
Bank's selling rates		*opening*	*opening*	*opening*		*opening*	*opening*	*opening closing*	*opening*	*opening*	*opening closing*
T/T London	2/7 000	2/6¾	2/6¾	2/6½		2/6½	2/6	2/6 1/16	2/6¼	2/6¼	2/6¼
D/Dfts ,	—	2/6 13/16	2/6 13/16	2/6 15/16		2/6 15/16	2/6 15/16	2/6 15/16	2/6 5/16	2/6 5/16	2/6 5/16
4 m/s ,,	—	2/7	2/7	2/6 3/4		2/6 3/4	2/6 3/4	2/6½	2/6½	2/6½	2/6½
T/T India	171.130	170	170	169		169	169¼	168	168	168	168
T/T France	1,602.400	1590	1590	1580		1580	1580	1565	1565	1565	1565
T/T N. Y.	62 685	62 1/32	62 1/8	61 3/4		61 3/4	61 3/4	61¼	61¼	61¼	61½
T/T Demand		62¼	62¼	61 7/8		61 7/8	61 7/8	61 3/8	61 3/8	61 3/8	61 3/8
T/T Hamburg		261	261	260		260	260	258	258	258	258
T/T H'kong	79.305	79⅛	79⅛	79⅛		79⅛	79	78⅞	78¼	78¾	
T/T Japan	72.755	73¼	73⅛	73¾		73½	73½	74	74	74	73¾
T/T Batavia	155.890	155	155	154		154	154	152½	152½	152½	152½
T/T Straits	90.100	90½	90 9/16	91¼		91¼	91¼	92	92½	92½	92½
Bk's buying rates											
4 m/s B/L. Cred D/A	2/9 000	2/8¾	2/8¾	2/8½		2/8½	2/8¼	2/8¼	2/8¼	2/8¼	2/8¼
4 m/s ,, D/P	—	2/8 7/8	2/8 7/8	2/8⅝		2/8⅞	2/8 7/8	2/8⅞	2/8⅞	2/8⅞	2/8⅞
6 m/s ,, B/L Cred D/A	2/9 312	2/9 1/16	2/9 1/16	2/8 13/16		2/8 15/16	2/8 15/16	2/8 15/16	2/8 15/16	2/8 15/16	2/8 15/16
4 m/s B/F Cred D/A or D/P	1,672.400	1660	1660	1650		1650	1650	1635	1635	1635	1635
4 m/s N.Y Lcs	65 935	65⅜	65⅜	65		65	65	64½	64½	64½	64½
4 m/s ,, Doc	—	65⅞	65⅞	65½		65½	65½	65	65	65	65

CHINESE NEW YEAR HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Feb. 7	Feb 8	Feb 9	Feb 11 Feb 12 Feb 13 Feb 14	Feb 15	Feb 16	Feb 18	Feb 19	Feb 20
Bullion.									
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	26	25 15/16	25⅞		25¾	25¾	25⅞	25⅞	25⅞
**New York Price of Bar Silver per oz. (Pure)	G.$ 56⅝	56⅜	56⅜		56	55⅞	55⅝	55¾	56
Shanghai Price of Gold Bars (weight Tls 10 (Chauping) 978 touch)	359.30	359.70	359.30		358.00	361.10	361.70	359.00	358.70
Shanghai Silver Bars (weight Tls 100(C)999 touch)	110.00	110.00	110.00		110.00	110.00	110.00	110.00	110.50
Shanghai Mexican Dollars per $100	71.725	71.775	71.75		71.825	71.8125	71.75	71.7875	71.812
Native Bank Rate of Interest (Call money)	3½%	1½%	Nil		Nil	Nil	Nil	Nil	Nil
*Closing Price in London for Previous day									
**Closing Price in New York for Previous day									

CHINESE NEW YEAR HOLIDAY

Bank of England rate of discount	4½%	London Paris on	T/T 124 26
Bank of France rate of discount	3½%	New York on London	T/T 485¼
London open Market of Dis. 3 m/s	4⅜%	Bombay on London	T/T 1/6
,, 4 ,,	4⅜%	Hongkong on London	T/T 1/11 5/8
,, 6 ,,	4⅜%	Kobe on London	T/T 1/10½

ANCIENT GUILDS AND SOCIAL CHANGE

(*Continued from page 547*)

Fur Stores—*Pi Hang Sheng Hui* (Hide or Skins Commercial Guild Association)

Members of this guild are engaged in selling hides, skins or furs, generally bought in Mongolia. The guild itself does a certain amount of curing

Hat Stores—*Mao Hang* (Hat Guild)

Both makers and sellers of old-style Chinese hats or skull caps, and of old-style official hats. These merchants in former times sold not only these hats but also the various styles of insignia used to designate different official ranks and placed on the top of the hat. A certain number of the old-style hats are still sold, but for the most part these guildsmen are now engaged primarily in the sale of foreign or native-made felt or straw hats

Leather Stores—*Wu Sheng Pi Hang* (Five Sages Hide or Skins Guild).

We have been unable to discover the reason for the term "Five Sages" in the name of this organization These guildsmen make and sell leather goods of mule, horse or cow hide, or sheep skin

Mutton Shops—*Ching Shih Yang Shang Tung Yeh Kung Hui* (Metropolitan Sheep Commercial Life Occupation Public Association).

Members of this organizat on are the mutton merchants having their shops in many places in Peking

Oil Stores—*Yu Yeh Kung Li Hui* (Oil Occupation Commonly Established Society)

The sellers of vegetable oils including sesamum, peanut, linseed, castor bean, and cottonseed oils.

Pork Shops—*Ching Shih Chu Shih Pin Tung Yeh Kung Hui* Metropolitan Pork Foodstuffs Like Occupation Public Association) These merchants have four distinct groups in their guild carrying on four subdivisions of the pork trade: (1) those who have to do with the slaughter houses situated in the East City of Peking, (2) the sellers of the usual pork food products;(3) sellers of lard; (4) sellers of pig bristles

Restaurants--*Fan Chuang Shang Hui* (Restaurant Commercial Association)

Guild members are the managers of Chinese-style and foreign-style restaurants.

Rice and Flour Stores—*Mi Mien Hang Hui* (Rice and Flour Guild Association)

For the most part these merchants are engaged entirely in the sale of rice and flour In some stores, however, they also do a certain amount of their own grinding

Second-hand Clothes Stores—*Ching Shih Ku Yi Hang Hui* (Metropolitan Old Clothes Guild Association)

Shoe Stores—*Ching Shih Hsueh Hsieh Hang* (Metropolitan Boot and Shoe Guild).

The sellers of boots and shoes formerly entirely of Chinese style, now also of foreign style. Frequently these stores will also undertake to mend shoes In this case they employ members of a special branch guild that specializes in repairing shoes

Silk and Satin Stores—*Chou Tuan Hang Hui* (Silk and Satin Guild Association)

The sellers of silk and satin In most of these stores, however, cotton goods can be purchased also

Sweet Oil Stores—*Chih Ma Hang Shang Hui* (Sesame Commercial Guild Association)

The members of this guild were originally included in the Oil Stores Guild Because of a dispute a few years ago they branched off, forming their own association They specialize in one of the many Chinese vegetable oils.

Vegetable Merchants—*Ching Tsai Hang* (Green or Fresh Vegetable Guild).

The office of the mayor in the metropolitan area (which includes eighteen counties surrounding Peking) sells a limited number of licenses which entitle the holders to be middlemen in the marketing of fresh vegetables brought in from the country to Peking. These middlemen have their headquarters in the market near the *Tien Chiao* (Heaven Bridge) midway on the principal north-to-south thoroughfare in the Southern City Both the pedlars of vegetables and the representatives of vegetable stores in Peking meet at this market Those holding the licenses superintend all the weighing of the products and their sale and receive a commission for their services Frequently the local store representative will buy on credit. In these cases the collecting of the bill is in the hands of these licensed middlemen, who ask a commission for this service also. Membership in this guild is confined entirely to the men having these licenses

Professional Guilds

Actors—*Li Yuan Kung Yi Hui* (Pear Garden Public Welfare Association).

This name has come down from the Tang Dynasty (A D. 618-905) from the time when the famous Emperor Ming Hwang (A.D 847-860) of that Dynasty was the personal patron of the actors The Pear Garden is the name of the theatre where they originally played

Barbers—*Cheng Jung Hang* (Beautify the Face Guild).

Composed of the itinerant barbers of the old style who partially shaved the head and gave a haircut suitable to the wearer of the queues; and also of the modern, Western-style barbers that do their work in the ordinary barber shop

Blind—*San Hwang Hui* (Three Kings Association).

The Three Kings referred to are the symbolic impersonations of the three primary elements of the ancient Chinese universe, Heaven, Earth, and Man. The members of this guild are composed of blind singers and blind fortune-tellers.

Cooks—*Chu Hang* (Cooks Guild)

Composed of cooks who prepare food in Chinese style.

Kitchen Coolies—*Yu Tzo* (Oil or Oily Workers)

The title is evidently meant to reflect the usual greasy appearance of these cooks' assistants. There are two grades in this work The first is composed of the more skilled workers who assist the cook in passing dishes from the stove to the waiters, the second group is generally known as *tiao pen*, or (unskilled (literally "stupid") carriers." The term carriers here means to carry on poles over the shoulders The principal work of these coolies is to carry the provisions which the cook has bought at the store or market to the restaurant or hotel where the food is to be prepared

Porters—*Kung Yi Chang Shan Cha Yeh Sheng Hui* (The Enduring Righteous Public Welfare Holy Tea Leaves Association).

The guild is composed of a group of porters who carry boxes, trunks, baggage, or other objects on the shoulders.

Story Tellers—*Ping Shu Yen Chiu She* (Story Tellers Discussion and Study Association).

The professional story tellers who entertain in theaters, tea houses, markets or temple festivals are members of this guild.

Waiters—*Cha Hang* (Tea Guild).

Waiters who serve Chinese-style food. Their duties are setting the table, serving guests and pouring tea.

Guild membership is in every case drawn from fellow craftsmen, merchants or professionals in parts of Peking, the city of Peking or the city and its near by surroundings. These associations are thus purely local affairs. The Mat Tent Builders include workers in the southern city only. The Porters operate in a very restricted area outside the Chien Men The Table and Chair guild draw their members from five defined areas of the city 27 of the 42 draw their members from within the walls of the capital only, while only 5 include the suburbs and near-by towns within a radius of 20 miles. Only in the case of three guilds can membership be transferred to similar guilds in other towns—the cloth pasters, who formerly had one organization for Peking, Tunghsien and Tientsin; the actors and the dye stuff merchants But there is no organic relationship of any of these groups with other groups outside the local area.

(*To be continued next week*)

FROM THE CHINESE PRESS

(*Continued from page 545*)

auspices of State Council —Ministry of Railways requests State Council to transport unused military material by boat so as to leave railways free for commercial purposes —Foodstuffs for famine relief in Manchuria ordered to be exempted from taxation.—Judicial Yuan is preparing report on judicial situation for submission to Kuomintang Congress in March.—Dr. C. T. Wang announces that general principles of new treaty with France have been agreed upon —C. E. C Standing Committee holds 198th meeting. Yen Hsi-shan, at present at Taiyuan, is expected to go to Peiping shortly to wind up his headquarters there.—Hsueh Tuh-pi warns local authorities against illegal seizures of temples —Hsueh Tuh-pi organizes a Central Public Health Committee

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